The

186 young business men and merchants are proud of their country and are
177 inclined to be annoyed by visitors who confine their attention to the antiques and "quaint" sights of Bahrain, ignoring modern buildings and new enterprises. Graduates of Bahrain and foreign schools are go-ahead in their outlook and are determined to modernise Bahrain as much as possible; for this purpose they are willing to break with many of the traditions of the past, which are so often of interest to Europeans and Americans. Despite this, the young men of Bahrain appreciate meeting the foreigners who live in or visit their country.

CHAPTER III

THE STATE

● 648 BAHRAIN has been in treaty relations with the British Government since 1820. Its relations with the British Government and with other foreign governments are conducted through the British Political Agent in Bahrain. Bahrain is also the headquarters of the Political Resident in the Persian Gulf, who lives at Jufair.

643 The Head of the State is His Highness Shaikh Sulman bin Hamed al-Khalifah, K.C.M.G., K.C.I.E., who was born in 1894, the eldest son of the late Ruler, Shaikh Hamed bin' Isa al-Khalifah, K.C.I.E., C.S.I. He succeeded his father in 1942 and has three sons: Their Excellencies Shaikhs 'Isa, Khalifah and Muhammad, and seven brothers. Shaikh Sulman is the tenth Shaikh of the Khalifah family to rule in Bahrain since it was conquered by his ancestor Shaikh Ahmed bin Khalifah in 1782.

642 The form of government can be described as a benevolent autocracy; the Ruler governs his State through Arab and British officials, who are in charge of the various departments of State, and by means of councils and committees consisting of elected and nominated members representing the different communities. Shaikhs of the Ruling Family preside over many of the councils and hold posts in the administration.

[647] The principal government departments are the Adviserate (The Secretariat), Customs, Education, Electricity, Finance, Judical, Lands, Police, Public Health, Public Works, Passports, Religious Endowments etc., etc. In the towns of Manama, Muharraq, Hedd and Rifaa there are municipalities; the first of these was established in Manama in 1920.

651 The revenue of the State is mainly derived from oil royalties, including payments on oil which is imported for refining, and from customs dues on imports. There is no income tax and no land tax but in the towns there is a small municipal tax on houses, shops and places
652 of business. The revenue of the State for the year 1370 A.H. (October 1950—October 1951) was Rupees 25,155,700 (£1,866,000) and the estimated revenue for 1372 (September 1952—September 1953) is much greater owing to a revision of the oil payments by which the

REVIEW OF 1372

000 The two most important events during the year were the conclusion of a new oil agreement between the Government and the Bahrain Petroleum Company and His Highness Shaikh Sulman's first visit to Europe to attend the coronation of Her Majesty Queen Elizabeth.

471 651 439 The new oil agreement was on a 50—50 basis on the same lines as other agreements which have recently been made between governments and oil companies in the Middle East, it also provided for a payment to the State on oil imported into Bahrain for refining. As a result of this agreement the total revenue for the year under review was 373½ lakhs of rupees, approximately £2,800,000, though the new scale of payments was not in operation throughout the whole of 1372.

652 657 Expenditure was higher than in 1371. Excluding the one third of the oil revenue, which is paid to the Privy Purse, 48 per cent. of the State's expenditure was on social and public services; Education, Public Health, Public Protection and grants to Municipalities absorbed 18½ per cent., 15-3/8 per cent., 10-4/5 per cent., and 3 per cent. respectively, including capital expenditure on new schools, dispensaries and police quarters. The demand for more schools and hospitals is continuous and insistent but few Bahrain people realise the heavy recurrent cost of medical and education services which can be maintained on the present scale only as long as the present revenue continues.

651 511 342 471 Trade flourished and the revenue from customs was higher than in the previous year; during recent years customs collections have risen annually. Local prosperity was apparent from what might be described as a building boom. Many new houses and shops were built in the towns and suburbs by private enterprise. The type of house varied from European style bungalows and blocks of flats, built by merchants and shaikhs for letting, to small stone houses which are gradully replacing barastis, palm branch huts. Several serious fires in barasti areas, which destroyed many dwellings, gave an impetus to building. Working men who owned pieces of ground built small houses and the Government received hundreds of applications from people who wished to buy building plots. Unfortunately the Government owns very little land in and around the towns, much of it having been given away or sold cheaply many years ago.

511 167 161 The standard of living in Bahrain is very much higher than it was a few years ago and the health of the people is noticeably better than it used to be. For these reasons and owing to a steady influx of foreigners, mostly from Oman and the Trucial Coast, who come to Bahrain to work, it is believed that there has been a substantial increase in the population which at the time of the last census, in 1950, was found to be 110,000.

578 The state of public security was good in spite of the presence of large a number of foreigners who are not as naturally law abiding as the people of Bahrain. There were no political or labour disturbances.

● 648 439 Relations with Quatar deteriorated owing to incidents connected with the visit of a party of Bahrain schoolboys and school teachers to Zubara during the Spring holiday. The commercial development of Qatar tended to reduce Bahrain's transit trade and deprived some of the Bahrain merchants of agencies which used to include both Bahrain and Qatar. Relations with Saudi Arabia and Iraq were friendly, a deputation headed by Shaikh Isa bin Sulman, His Highness's eldest son, represented Bahrain at the coronation of King Faisal in Baghdad.

During the year the Department sent a deputation consisting of one of the members of the committee and the Superintendent to Kuwait to make a claim for the Waqf funds from the large and very valuable building on the Sea Road west of the Customs pier. This building was acquired by one Hilal Al Materi a Kuwaiti pearl merchant. He dedicated it as a Waqf for charitable purposes, not specifying whether the funds should be spent in Bahrain or in Kuwait. The Sunni Waqf Department obtained an opinion on the case from Al Azhar in Cairo supporting their claim that the Waqf should be spent in the country where the property was situated. The Deputation was not received with any enthusiasm in Kuwait, some sort of compromise was arrived at but at the end of the year the Department had not received any contribution from the Waqf towards charitable objects in Bahrain.

PASSPORT DEPARTMENT

(From the report of Mr. Kadhim Al Asfoor, Passport Officer)

Revenue. The total revenue was Rs. 53,789/-, about Rs. 19,000 less than was collected in 1371. This decrease was due to a shortage of book passports which were being printed in England. Some changes were made in the new passports which now contain the name of the holder on the outside of the cover as well as inside it. A further change in the wording is "date of birth" instead of "age," though at present very few of the people who use the passports know either the date of their birth or their age. Revenue from Travel Passes was Rs. 22,339, from entry forms, Rs. 8,236 and from miscellaneous forms Rs. 5,041.

Pilgrims. Only 280 persons did the Pilgrimage to Mecca, this number included 19 Persians, long resident in Bahrain who were granted passport facilities to perform the pilgrimage. Over 3,500 Shia pilgrims visited the Holy Cities of Iraq, an increase of about 500 over the previous year's number. These pilgrims included many people from the villages. Some of them crossed from Iraq to Persia and visited the Shia shrines of Persia. Such journeys are lengthy and expensive and the increase in the number of Shia pilgrims every year is an indication of prosperity among the working classes.

About 200 Arabs from Bahrain went to the Lebanon, mostly during the summer, this was about half the number who travelled there last year. In spite of inducements by the Government of the Lebanon to encourage tourists from the Gulf the people of Bahrain are beginning to find that they cannot afford to pay the excessively high prices which prevail in Beirut and in mountain resorts. The much advertised wealth of certain Gulf states seems to have caused the people of the Lebanon to regard any Arab from the Gulf as a rich traveller and a potential spender.

		Arrivals.	*Departures.*
Passengers.	By Air	22,542 ..	23,758
	By steamers	*13,206* ..	*13,136*
	By Country Craft	34,220 ..	35,228

Number of dhows and launches visiting Bahrain : 4,958.

During the year 1,077 gratis passes were issued to Shaikhs, their followers, teachers and students. Numerous members of the Ruling Family with their followers went on hunting trips to Saudi Arabia, Iraq and Kuwait.

During the diving season 496 Persian divers were allowed to land in Bahrain and to return to Persia after the diving season.

GENERAL

648 **Distinguished Visitors.** Among the many notable persons who visited Bahrain during the year were H.R.H. The Duchess of Kent and H.R.H. the Duke of Kent, who were on their way to the Far East. H.H. Shaikh Abdulla As Salim, Ruler of Kuwait paid his usual visit to the country; H.E. Ghulam Mohammed, Governor General of Pakistan, stayed for a night on his way to Saudi Arabia. Other visitors were H.E. Dr. Mohammed Fadhel Al Jamali, Prime Minister of Iraq; Field Marshal Sir Claude Auchinleck; His Eminence Jirgis, Daoud Kandila, Metropolitan of the Syrian Catholic Church; a group of British Members of Parliament; numerous rulers of the Shaikhdoms of the Trucial Coast; foreign diplomats; journalists of many nationalities and senior British and American Army, Navy and Air Force Officers.

Coronation of King Faisal. H.E. Shaikh Isa, the eldestson of His Highness, represented his father at the coronation in Baghdad in June of H.M. King Faisal II. He was accompanied by several of his relations. The Bahrain delegation travelled to and from Baghdad by air.

655 **Postage Stamps.** A Bahrain 1½ Anna stamp, for internal postage, bearing a portrait of His Highness Shaikh Sulman, was brought into circulation during the year. Some progress was made in the process of the Government gradually taking over the administration of the postal services.

000 **"Caltex Bahrain."** The new oil tanker, *Caltex Bahrain*, was launched in December, in England. The launching ceremony was performed by Lady Belgrave.

471 **Pepsi Cola Factory.** Mr. Husain Ahmedi, a local merchant, built a factory on the south-
274 west of Manama for making Pepsi Cola. This is the first enterprise of this type which has been undertaken in Bahrain.

423 **Stamped Paper and Title Deeds.** The Government adopted a new design of stamped
656 paper, which is used for agreements, receipts, powers of attorney, etc. New forms were also introduced for title deeds.

717 **Anglican Church.** The building of an Anglican Church was completed on a site east of the Fort which was presented to the Anglican Community by His Highness Shaikh Sulman.

000 **Agriculture.** No report on agriculture has been included this year as Mr. J. Edmond, the Agricultural Officer, completed his period of contract with the Government and proceeded on leave, pending retirement, on 15th September, 1952.

Mr. Van Ollenbach was appointed Agricultural Officer and began his duties on 5th January, 1953.

HIS HIGHNESS SHAIKH SULMAN'S VISIT TO ENGLAND

648 His Highness Shaikh Sulman left Bahrain, by air, on 13th May and arrived back in his country on June 26th. His party consisted of his youngest son, Shaikh Mohammed bin Sulman, Sir Charles and Lady Belgrave, Mr. Husain Yateem and two secretaries.

He travelled by air to Beirut where he stayed for one night; by sea, in S.S. *Esperia*, to Venice where he stayed for three days; by train to Montreux, on the Lake of Geneva, where he spent four days, and on by train to Paris where he stayed for two nights. He reached London on May 28th.

648 In Beirut the President of the Lebanese Republic gave a luncheon party for His Highness ; in Venice he was entertained by representatives of the Italian Government ; in Switzerland the local authorities gave a party for him in the castle of Chillon and in Paris he was the guest at a reception at the Quay d'Orsay. In addition to official occasions he was entertained by friends in all the countries through which he travelled and by the Bahrain Petroleum Company in Paris who arranged for him a visit to the stables of M. de Boussac at Chantilly. While in Switzerland he visited Geneva and heard a debate on Human Rights in the Palace of Nations.

His Highness was met on his arrival in London by H.R.H. the Duke of Edinburgh. During his stay he and his party occupied rooms at the Mayfair Hotel ; until June 6th he was the guest of H.M. Government ; from June 6th until he left London on June 18th, he was the guest of the Bahrain Petroleum Company.

During the first part of his visit in addition to being present in Westminster Abbey at the Coronation he attended many official functions, banquets and receptions. During the latter part of his stay he was the guest at many official and unofficial occasions. Although most of his time was spent in London he was able to see something of the country. He visited Oxford and had luncheon at Lincoln College, he went to Brighton, to Three Bridges in Sussex to see Lady Wentworth's Arab Stud ; to garden parties at Blenheim Palace and Hatfield House, and to Epsom for the Derby. He was present at a garden party given by the Archbishop of Canterbury, he attended the Naval Review at Portsmouth and the Trooping of the Colour ; he was entertained by the Bahrain students in England and visited Richmond Horse Show. He spent most of one day on the River Thames as the guest of the Port of London Authority and visited the Bank of England and the Mansion House. Shortly before the end of his visit he gave an evening party at Claridges Hotel which was attended by over 300 guests, including people who had showed hospitality to him during his stay, and many people who in the past had been connected with Bahrain and the Persian Gulf.

He travelled back to Venice by train and by sea in S.S. *Esperia* to Beirut and flew from there to Bahrain where he arrived on 26th June.

On his return he was given an outstanding reception, the festivities lasted for three days. Apart from one short visit to Kuwait this was the first time he had been away from Bahrain since his accession in 1942 and the first occasion on which he had visited Europe.

603 **Obituary.** In the Spring of 1953 Abdul Aziz Al Gozaibi died in Beirut from the results of an accident. It seems that he fell from the edge of the road on to some rocks and so lost his life. He was ill when he went to Beirut and it was known that he was liable to attacks of giddiness.

Abdul Aziz was the eldest of four brothers who came originally from Saudi Arabia. During and after the first war they were among the leading merchants of Bahrain, besides trading pearls they had an extensive business with Saudi Arabia and acted in Bahrain as unofficial agents of His Majesty King Ibn Saud. Abdul Aziz, who received the title of Khan Bahadur from the Government of India, took a leading part in local affairs. He was one of the pearl merchants who supported the Government in its original efforts to improve conditions among the pearl divers. He sat for many years on the Manama Municipal Council and was a member of many committees. His level-headedness and realistic outlook made him a valuable member of the community. He represented a man of the older generation whose views were not incompatible with modern conditions. His death is a loss to Bahrain.

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INTRODUCTION

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About midway of the Persian Gulf and some fifteen miles off the coast of Arabia, lie the Bahrein Islands at the mouth of the Gulf of Bahrein, of which the Qatar Peninsula forms the western side. There are five principal islands, only two of which are of real consequence. The largest and by far the most important is variously called Awal, Al Manāmah after the principal city, or more commonly just Bahrein. The last is the modern designation.

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In ancient times, the name "Bahrein" was applied to a larger area which included the Arabian mainland of Qatar and Hajar and the land situated between Mesopotamia and the Gulf of Oman (the Indian Ocean); this area took in the entire southern coast of the Persian Gulf. This has caused widespread misinterpretation of much of the writings of pre-Islamic and Medieval historians. Throughout this book we shall use the term "Bahrein" in its modern sense to refer to the archipelago of Bahrein proper or to the central island, except where the mainland province is clearly indicated.

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Bahrein today has few attractions. There is not much to recommend it as a place of residence, as it is intensely hot for about seven months of the year, and for many of the native inhabitants lacking in comfortable living conditions. For tourists it is rather off the beaten track. Nevertheless, through the centuries these bits of land have been considered well worth fighting for by both European and Asiatic empires.

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The reason for Bahrein's unusual and enduring importance can be summed up in two words—pearls and strategy. The pearl fisheries of Bahrein have been known all over the world since the dawn of history and, thanks to an abundance of fresh water springs, the island was a frequent stopping place for ships on the trade routes to India and the Far East.

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The Portuguese, the first European power to have an Asiatic colonial empire, fought hard for possession of the islands.

● 618 175 They held them for some time, but finally lost them to the Persians, who with the help of the British, put an end to Portuguese domination of the Persian Gulf.

One generation passeth away and another generation cometh; but the earth abideth forever. Hardly had the Persians rid the Gulf of the Portuguese than they had to face British naval supremacy. At first the British did not seem to realize the importance of Bahrein and did not intervene actively until the beginning of the nineteenth century. Since then, however, they have made up for lost time and Bahrein has become, to borrow Byron's picturesque expression, "a bundle of hay" with Persia trying to hold it and John Bull tugging "a different way." This diplomatic tug of war has continued ever since, and very recently the Persian government was directed by the Parliament to "take effective measures with a view toward implementing the Persian sovereignty over the islands."

In olden times Bahrein was a center of religious studies and produced great religious philosophers and mystics, as well as students of mathematics and the Arabic languages; but the general public was content with the Koran texts and Moslem catechism. The majority of the schools were part of the mosques and other religious foundations and were under their supervision. The beginning of the modern schools in Bahrein dates from the first World War. Among them were Persian schools supported by Persian merchants for the education of Persian children, but open also to the children of other communities. However, the Anglo-Persian controversy of 1930 over Bahrein resulted in the decision of the local government, encouraged by the British Ambassador, to create its own system of education independent of Persian influence. In the schools, as in other things, Bahrein followed the general pattern of Arabization of the Persian Gulf, and to this end adopted the Iraqi system of education.

The discovery of oil in 1930, and the granting of concessions to American interests, has singularly enhanced the historic importance of Bahrein and created a complicated international

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problem. The protestations of the Persian Government and its view of the concession as null and void, have broadened the Anglo-Persian controversy to include the United States, and as a side issue have created an Irano-American dispute. Considering the location and the nature of the countries involved, this has dangerous potentialities, especially in the present state of international relations.

With the above in mind, the present book was written to provide the reader with the minimum of facts essential to an understanding of the problems in this part of the world.

The author wishes to express his gratitude to Ali Aghassi for his scholarly suggestions and sincere and friendly encouragements, without which this work would have been impossible.

A. FAROUGHY.

New York, August 1950.

804 The Chow is also used as the nominal weight in Bombay by the pearl traders, but the Bombay Chow weighs only one-fourth the Bahrein.

CURRENCY

436 Indian money is the national currency. The rupee, a silver coin about the size of a United States half-dollar, is the basic unit and is worth about thirty cents, its sterling equivalent being ls. 6d. The rupee is divided into 16 *annas* (sing., *anna*).

Other silver coins are:

Half rupee	— 8 annas
Quarter rupee	— 4 annas
Eighth rupee	— 2 annas
Pice	— ¼ anna
½ Pice	— ⅛ anna

Copper coins less than one anna in value are also in circulation. There are 12 pies to an anna, or 192 pies to a rupee.

Indian paper currency is also in general use.[1] Besides the rupee the Persian *rial*[2]; (about $0.29), the Saudi Arabian *riyal*,[3] the Maria Theresa Thaler, (about $.45), and the Turkish pound, or *lira*, (about $3.60), are also in limited use.

STAMPS

205 Up to 1947, the stamps of Bahrein were the old stamps of British India, with the word "Bahrain" over-printed across in black ink.[4] However, since the division of Indian colony into Dominions of India and Pakistan, the stamps used in Bahrein are those of United Kingdom with the word "BAHRAIN" and values in rupees over-printed in black ink. The Sheikdom has adhered to the International Postal Union and its membership in that organization is the only international agreement signed by Bahrein.

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1. One hundred thousand rupees is called a *lakh*, and is written Rs. 1,00,000.
2. The Persian rial is fixed by the law of 1932 at a value of 0.07322382 grammes of gold.
3. The Saudi Arabian riyal was declared in 1940 to be equivalent to the Indian rupee.
4. The British and American differ in spelling the name of the island. Throughout the book we have followed the American use.

175 mitted to his murderers, crossed over to Qatar, where they joined Ali at Qarya. They subsequently attacked and plundered a Bahrein boat, carrying off pearls and monies amounting to over 1,000 rupees. Sheik Isa accepted the accomplished fact, and consented to the departure of the disaffected elements, later on authorizing the families of the men to join them on the mainland.

To prevent the local Sheik from disturbing the peace of the Gulf, the Persian and British Governments had recently signed the International Convention on traffic of arms. The two Governments in their partnership of policing the Gulf, had instructed their Navy to cooperate by tracking down the smuggling of arms between their respective territories. Consequently, the following proclamation was published by the Sheik of Bahrein:

"Be it known to all who see this that British and Persian vessels of war have permission to search vessels carrying their and our flags in Bahrein territorial waters, and to confiscate all arms and ammunition (weapons of war) in them, if those arms and ammunitions are intended for Indian or Persian ports or the Island of Bahrein. . . ."

20th CENTURY

648 At the end of the 19th century and the opening of the 20th, the Persian Gulf became the main center of international intrigue. The Russians opened a series of consulates, and organized and subsidized steamer services.

In 1901, the German firm of Prins und Sturken, of Hamburg, opened a branch in Bahrein. In February 1902, two Frenchmen, Dumas and Castelin, arrived in Bahrein to open a business, and a German assistant to Woenkhaus and Company, of Hamburg, arrived later in the same year.

[22?] Three years later, Woenkhaus who was already dealing in mother-of-pearl, transferred their main center of business from Lingah to Bahrein, where they asked a concession from the Sheik for the exploitation of pearl fisheries.

Prevented by the British, they then applied to Constantinople

• 648 for a lease over the island of Halul. With commercial competition, came political rivalry which caused Britain to hasten her Indianization of Bahrein.

The first step had already been taken after the incidents resulting from the departure of Al-i-'Ali, when as the price for their aid, the British established in Bahrein a Political Agent, subordinate to the Persian Gulf Political Resident at Bushir. The Bahrein Agent obtained jurisdiction over British subjects in the island, and the right to supervise their claims.

The second step occurred in 1903. Some German and Persian subjects were maltreated and beaten by the nephew of the Sheik. The Germans complained to Bushir and demanded retribution. This necessitated intervention by the Political Agent, and the Sheik's nephew was deported to Bombay for five years. To avoid a repetition of the incident, the Political Agent at Bahrein was charged with jurisdiction over all foreigners. To compensate the Sheik for the loss of prestige, his personal salute was increased from five to seven guns.

The measures taken by the British in Bahrein provoked strong protests from the Persian Government, which in a note to the British Minister, affirmed their sovereignty over the islands. The note was answered in 1906 by the English Minister in Teheran, and declared:

His Majesty's Government consider the Island of Bahrein and its inhabitants under British protection and they refuse to accept any new representations on this subject.

In answer to this, an official protest was sent by the Persian Government declaring that the claims were based on the Agreement of October 30, 1822, between Captain William Bruce, "special commissioner of the British Government," and the Prince Governor of Shiraz. The British Government, in its answer of January 2, 1907, and again on February 23, of the same year, maintained that that Agreement had been filed without the necessary authorization and had been immediately "disavowed by competent representatives of His Britannic Majesty." The English note maintained that, since "His Majesty Fath Ali

Shah has equally refused the stipulation of this accord, and has manifested his displeasure that the Prince of Shiraz had taken engagements with the British Government without previous approval of His Majesty, and without receiving specific instructions . . . that Agreement could not be considered as ever having been binding."

However, due to the internal situation in Persia — the Revolution of 1906, followed by Civil War and the intervention of British and Russians acting after the Agreement of 1907 —claim over Bahrein was momentarily forgotton.

However, the position of the British in Bahrein was challenged by the Turks, who, in 1909, occupied the island of Zakhnuniyeh which belonged to the Dawāsīr tribe, subject of Sheik Isa.

The British Ambassador protested to the Porte, and the Turks answered that the presence of their gendarmes was necessary to maintain order among the Dawasīr fishermen from Bahrein who frequented the island. In the spring of 1910, however, the Turkish soldiers returned, and the Turkish flag was hoisted every Friday.

Soon the situation in Europe necessitated an attempt by Turks and British to settle their differences, and in a confidential memorandum to the Turkish Government on July 29, 1911, Sir Edward Gray wrote that in the opinion of his Government "any lasting settlement between the two Powers [Great Britain and Turkey] must provide for the definite renunciation by the Ottoman Government of Bahrein and adjacent islands and of the whole of the Peninsula of Qatar (including El-Bidā) where the Sheik of Bahrein has important rights."

On this basis, negotiations took place between the two Powers, and finally a Convention was concluded on July 29, 1913. The outstanding provisions of the Convention were:

1. The Ottoman Imperial Government renounces to all claims concerning the Bahrein Islands, including the two islets, Lubainat-al-Aliya and Lubainat-es-Safliya, and recognizes the independence of that country. In turn, the Government of His Britannic Majesty declares that they have no intention of annexing the Bahrein Island to their territories. (Article 13.)

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2. The British Government guaranteed to the Turks that the Sheik of Bahrein would not perceive from the Ottoman subjects engaged in pearl fishing, taxes higher than those perceived from interested persons of the most favored nations. (Article 14.) 648

3. The subjects of the Sheik of Bahrein would be considered aliens in Ottoman territories and could claim the protections of the British consuls. This protection, however, should be exercised in conformity with the general rules of European international law, excluding the subjects of Bahrein from the privileges accorded by the capitulations to subjects of specific powers. (Article 15.)

4. Turkey also renounced sovereignty over the Qatar Peninsula, which "Would be ruled as in the past by the Sheik Qasim ibn Thāni and his successors." (Article 11.)

5. The British Government declared that it "would not permit the Sheik of Bahrein to interfere in the internal affairs of Qatar, to jeopardize the autonomy of the country, or to annex it." In return, however, Turkey wanted the island of Zakhnuniyeh, opposite the coast of Nejd, but was ready to compensate the Sheik of Bahrein for its loss. The British government "takes notice of the decision of the Imperial Ottoman Government to pay the sum of 1,000 British sterling to the Sheik of Bahrein in compensation for renunciation of all its claims over the Island of Zakhnuniyeh situated near the littoral of Ottoman Nejd and belonging to that Sanjak, and offer their good offices to remit that sum to the Sheik against written renunciation which would be sent to the Ottoman Imperial Government."

This last was a secret clause, and the Turks, as it turned out, had not driven a good bargain, for they soon had to give up the whole of the Nejd to Ibn Saud, who had occupied the coast of Hasa in May 1913.

As far as the guarantee for pearl fishing was concerned, (Article 5), neither the British Government nor the Sheikdom of Bahrein had the right to grant preferential position to the Turks, or forbid their subjects to use the fruit of the seabeds, as the pearl banks of the Gulf have always been open to all the inhabitants of the littoral.

The eclipse of the Turks permitted Great Britain to expand its power over Qatar and Trucial Oman. On December 26, 1916, a treaty was signed by Ibn Saud and the British Resident in the Persian Gulf, acting for the Government of India, by which Great Britain recognized Ibn Saud and his successors—so long

648 as they were not antagonistic to Great Britain—as independent ruler of his territories, dependencies, ports, and coasts, and absolute chief of the tribes inhabiting them. (Article 1.)

Other provisions were:

1. Ibn Saud agreed to refrain from aggression against the territories of Koweit, Bahrein, and the Sheiks of the Oman Coast who were in treaty relations with the British Government. (Article 6.)
2. The limits of the other independent Arab principalities (Mentioned in Article 6), as well as those of Ibn Saud's own territories and dependencies (Article 1), would be discussed and determined at a later date, and that the two parties at that time would conclude a further and more detailed treaty. (Article 7.)

This agreement constituted no departure from traditional British policy in the Gulf, but rather confirmed their position in maintaining the status quo against internal disorder or foreign menace.

At the end of the World War, Britain decided to strengthen the ties which already connected Bahrein with her Indian Empire.

In 1913, the Bahrein Order in Council establishing the civil and criminal laws of British India, had been promulgated, but because of the outbreak of war, its application had been postponed.

Now Britain decided to put it in execution. However, they met with opposition, and this created a tension which was to disturb Bahrein for many years to come.

The main opposition to this third and last step in Indianization of Bahrein, came from the Persian elements of the population. The party of liberation of Bahrein, which was a branch of the Persian Democratic party, carried its activities against the British intervention; meetings were organized, and cables sent to Persian Parliament requesting the intervention of the Majlis for holding elections in Bahrein and admission of Bahrein deputy to Persian Parliament.

The tension grew between the Persians and the Arabs, encouraged by the British, and from the beginning of 1922, a series of minor clashes took place between the two elements.

Little by little, the clashes became more frequent, and from the end of April 1923, fighting took place almost every day. 648

On the fourth of May, a regular fight took place between the inhabitants of the two villages of Badaiya' (populated by the Arabs of Nedj and Sunni), and that of Ali (inhabited by Persians of Shiah creed).

On the 9th of May, a band of armed Arabs attacked the Persians, killing three and wounding thirty-seven. Persian houses were sacked and occupants maltreated. The local government was unable to cope with the situation, and again the Arabs from Nedj received reinforcements from the mainland, and attacked Persian houses, stores, and villages. In this act of vandalism, 10 Persians were killed again, but the intervention of the local police, who were under the authority of the Persian Major, Muhammad Sharif, prevented further disaster by shooting on the assailants.

To reestablish order, the Political Agent had to call on British naval units which arrived on May 12th and 13th. Sheik Isa was held responsible and was asked to abdicate, but he convoked the council of his family, and they decided to refuse the demand. Confronted by the threats of the British Resident, however, he was "persuaded" to relegate his power to his son Sheik Hamed, who was declared Lieutenant of the Realm.

After his forced abdication, Isa, as a protest against the action which violated the rule of friendship, refused for more than five years to receive his son. Eventually, however, a reconciliation took place.

The Persian Mayor was sacrificed and his office suspended. 648
The national and foreign tribunals gave way to a Divan 652
formed by the Sheik and the Political Agent. An office of Ad- [692]
ministration of Finance was created, with a Briton at its head. Civil and military lists were established for the Sheik and his family. The English Bank of Manama, the Eastern Bank, was assigned to function as the Government Treasury. The legal provisions of the Bahrein Order in Council of 1913 were enforced.

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Since the Order in Council is so important as to have changed the social as well as the political status of Bahrein, it is worth while here to give a summary:

In matters relating to criminal and civil cases, the laws of British India and the United Kingdom are applied. By provision of Article 12, "the enactments described in the first schedule to the Foreign Jurisdiction Act of 1890 shall apply to Bahrein, as if it were a British Colony or Possession, with the difference that the Political Resident in the Persian Gulf is substituted for the Governor of a Colony or Possession, the Chief Court for a Superior Court or Supreme Court, and the District Court for a Magistrate or Justice of the Peace of a Colony or Possession. In criminal matters, the laws of British India are applied, and the Political Resident in the Persian Gulf shall form a Chief Court with power invested in a High Court of Judicature; the Political Agent at Bahrein is the equivalent of the District Magistrate and Sessions Judge. The Judicial Assistant to the Political Resident corresponds to the Additional District Magistrate and Additional Sessions Judge.

If both plaintiff and defendant are Moslem and agree to such procedure, the Political Agent may order the case to be tried by a Qazi (a Moslem judge having both civil and criminal jurisdiction). But his verdict must be ratified by the Political Agent, who is empowered to revise the findings and sentence "as if the Qazi were a Subordinate Magistrate."

The powers of the Court (that is, of the Political Resident, the Political Agent, or the Judicial Assistant) are almost unlimited. The Political Agent can condemn to exile or jail any person under his jurisdiction or can "require him to give security to the satisfaction of the Court for his future good behavior." (Article 20.)

Articles 21 and 22 are still more restrictive in spirit. Limited at first to British subjects, the provisions of these articles, by the Amendment of 1924, were extended to "any person to whom this Order applies"—that is to say, to all British subjects, all foreign subjects who by virtue of an accord with the Sheik are under British jurisdiction, and finally all subjects of Bahrein who are listed on the Register of the Political Agency. These articles, therefore, place in the hands of the Political Agent a powerful weapon.

In fact, the Political Agent as District Court, can "under its seal exile any person who has committed or is about to commit any offense against the Order, or otherwise is conducting himself so as to be dangerous to peace and good order," during a time not exceeding two years.

In civil matters, the Code of Civil Procedure and other

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Indian enactments relating to the administration of civil justice, and so on, are applied "as if Bahrein were a district in the Presidency of Bombay."

However, if the two parties accept "a question of local custom," they can be sent to the Majlis of Urf for consideration or report, and a dispute over accounts between pearling masters and divers may be sent to the Salefah Court for adjustment. Finally, Article 70 gives to the Political Resident the power of issuing regulations (called King's Regulations), having for their object "the peace, order, and good government of persons to whom this Order applies," and relating "to any native or local law or custom, whether relating to trade, commerce, revenue, or any other matter."

To summarize, any difficulty of a civil or criminal nature arising between a subject of Bahrein and a person to whom the Order applies, is regulated by a kind of collaboration between the Political Agent and the Sheik of Bahrein. The Political Agent, according to the nature of the case, can judge it himself with the help of the Sheik, or send it to a Joint Court, submit criminal cases to the Qazi, if the two parties are Moslem, refer civil cases to the Majlis of Urf, or submit cases relating to pearl fishing to a Salefah Tribunal.

The application of these measures provoked a local spirit of nationalism. Protests were organized in many places. The principal of Bahrein adopted the following resolutions and urged twelve of their number to try to enforce them by use of "all legal means".

1. Continuation, as before, of local government without intervention by the Political Agent;
2. Re-establishment of the laws based on religious principles (*Shar'*) and in conformity with their instructions;
3. Election of a representative chamber to insure the rights of the people;
4. Creation of a tribunal for pearl fishing (*Qaus*) composed of persons familiar with the problems relating to the industry;

5. Efforts to bring the Political Agent into conformity with the treaty between England and Bahrein, and to prevent his intervention in the internal affairs of the island.

The British considered the resolutions to be an act of rebellion against Sheik Hamad, and acted vigorously. Several people, among whom, Ali, nephew of the Sheik of Bahrein, and Ziani, the leader of the liberation party, were exiled to India, and coercive measures were taken against the others. The insurrection was put down, and the nationalist movement strangled. Since then, a number of the measures called for have been put into practice, but Bahrein, *de facto* if not *de jure*, has become a British Crown Colony.

Differences between Persia and England, regarding Persian sovereignty over Bahrein arose in the same year. The pretext was a clause in the Treaty of Jaddah signed May 20, 1927, between England and Ibn Saud, which read as follows: "Ibn Saud undertakes to maintain friendly and peaceful relations with—Bahrein, who is in special treaty relations with His Britannic Majesty's Government."

Persia, in a note addressed on November 22, 1927 to the British Minister at Teheran, affirmed her rights over Bahrein, declared that "the article is contrary to the territorial integrity of Persia," and asked that the British Government "promptly take necessary measures to relieve its implications."

In a note sent the following day to the General Secretary of the League of Nations, she invoked Article 10 of the Covenant, guaranteeing the territorial integrity of all member states. Persia asked the League to "guarantee her undisputed rights over Bahrein."

In a reply dated January 18, 1928, England tried to repudiate the Persian claim, and confirmed her own position, which was "to insure that the pacific development of the island and the prosperity of its Arab inhabitants are not troubled by unjustified advances coming from her neighbors and having in view the subordination of the inhabitants to foreign domination."

The British reply was followed by a new Persian note on

August 2, 1928, which developed in detail the matters discussed in the preceding note and affirmed Persian sovereignty over Bahrein. England answered on February 18, 1929, developing the arguments in her first note and reiterating her previous contentions.

Meanwhile, the Bahrein Government instituted visa regulations and established a land registry office. Since the promulgation of the decree of December 21, 1927, all real properties had to be registered, but no one except "a subject of Bahrein" had right to own property in the island.

Obviously this was to deprive Persians of their rights of ownership in Bahrein. Many sold their land and migrated to Persia, and those who stayed behind had to accept Bahrein citizenship.[1]

Also, previously passports had not been required from Persians travelling to Bahrein, and Persia protested against the change. According to the Persian note, the change "was the explicit recognition by the English authorities of the indisputable right of Iran [Persia] over Bahrein."

Publication of the news of oil concessions obtained previously by Major Holmes from the Bahrein Government, provoked on July 23, 1930, another note from Persia, in which she declared the concession invalid and "reserved—the right to reclaim or to demand restitution of all profits resulting eventually from that concession, without prejudice of all damages relating to it." This strong protest did not deter the English syndicate from ceding its rights to the Standard Oil Company of California, which began systematic exploitation.

The concession to prospect and explore for oil in Bahrein had been obtained on December 2, 1925, to Major Frank Holmes, representing Eastern and General Syndicate, a British company headed by Edmond Davis. For two years, the syndicate tried without success, to interest first British, and later American concerns, in the development of the Bahrein concession. Finally, on

1. This decree was still stiffened by the decrees of 1930 and that of May 23, 1941.

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November 30, 1927, an American corporation, the Eastern Gulf Company,[1] acquired the option which was scheduled to expire January 1, 1929. Under the terms of the option, Eastern Gulf started preparatory work and made a surface geological map of Bahrein Island.

Gulf, however, which at that time was a member of the American Group[2] of the Turkish Petroleum Company,[3] signed the Group Agreement of July 31, 1928. This Agreement incorporated the restrictive clause of the Foreign Office Agreement of 1914, which prohibited the signatories from acting independently "directly or indirectly in the production or manufacture of crude oil" in an area bounded on the map by a red line.[4] In order to hold on to its interests in Iraq Petroleum, and also because it held an option on a concession for Koweit, Eastern Gulf, with the consent of the Syndicate,[5] on December 28, 1928, assigned its Bahrein option to the Standard Oil Company of California for the sum of $50,000. Under the terms of the option, the syndicate was to secure from the British Colonial Office a one-year renewal of the concession, due to expire December 2, 1928.

In the meantime, after the payment of the rent due in October 1928, the Colonial Office, now aware of the transaction, made the renewal of the lease "contingent upon insertion in the agreement of a clause providing, among other things, that the managing director and a majority of the other directors should be British subjects, that the Concessionaire Company should be

1. A subsidiary of the Gulf Oil Corporation of Pennsylvania, which was controlled by Andrew Mellon.
2. This group owned 23.75% of Turkish Petroleum. The other four members of the American Group were: Atlantic Refining Company, Pan-American Petroleum and Transport Company, Standard Oil Company of New York (since 1931, Socony Vacuum Oil Company), and Standard Oil of New Jersey.
3. Iraq Petroleum Company since 1929.
4. For this reason, the Group Agreement is commonly referred to as the "Red Line Agreement." The restricted area includes most of the pre-World War I territory of the Ottoman Empire, the islands of Rhodes, Cyprus, Kamaran, and Bahrein, excluding Farsan Island and the Sheikdom of Koweit.
5. After consultation with its partners in Iraq Petroleum.

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British registered, and none of the rights and privileges which the Sheik had granted in the Concession would be controlled directly or indirectly by foreigners." 471 648

These conditions seemed contrary to the Open Door policy and to the equality of commercial opportunity advocated by the United States since the first World War. Secretary of State Kellogg, on March 28, 1929, instructed the American Chargé d'Affaires "to discuss this case informally" with the British Government.

The British, in their answer declared themselves to be "prepared in principle to consent to the participation of United States interests in [the Bahrein] concession, subject to [their] being satisfied as to the conditions on which U. S. capital will participate and in particular as to the nationality of the operating company, of its chairman and directors, and of the personnel who will be employed in the Islands." The note suggested "direct discussions between representatives of the Eastern and General Syndicate, as the existing Concessionaire, and the Colonial Office."

The negotiations which took place in London were successful, and Standard Oil of California nominated its fully-owned subsidiary, the Bahrein Petroleum Company,[1] as the company to which the concession should be transferred. On August 1, 1930, in agreement with the Sheik of Bahrein, formal assignment of the concession to the Bahrein Petroleum Company was concluded.

September 19, 1930, British authorities had arrested a number of important Persian residents in the island who had been accused of inviting the Bahreinis to send a petition to the League of Nations against the projected union of the Arab Principalities of the Persian Gulf, a movement patronized by the British Government. After some disturbances, calm was restored when units of the British fleet started "maneuvers" in plain view of the island.

By now, the Bahrein oil companies had started their exploita-

1. Incorporated in Canada (Ottawa, January 11, 1929).

471 tion of the island, and in a note to the United States Minister at
618 Teheran dated May 22, 1934, Persia denounced the concession as having been granted by "legally incompetent authorities," thus rendering it null and void. As in the British note, she "reserved all . . . rights . . . to all profits realized by the said concessions", and stated that she regarded the United States liable for all damages sustained by the Persian Government.

The American Department of State was reluctant to recognize Persia's claim over the Bahrein Island. It should be recalled, that the Reservation sponsored by Senator King of Utah, and approved to the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, which the Senate passed on June 15, 1934, was strongly opposed by the Administration. This Reservation was to prevent the United States Government undertaking steps which would "deny any right of sovereignty which Persia might have, in, and to, the Persian Gulf." Finally the Senate approved the Convention without the King Reservation.

Soon these exchanges of diplomatic correspondences were terminated by Sir John Simon, the British Foreign Secretary, who in a note addressed on July 23, 1934 to the General Secretary of the League of Nations, declared that his Government "did not intend for the moment to add anything to her former notes." This was a dead end, and the "Bahrein Affair" became another of the forgotten cases of the League.

The Persian Minister for Foreign Affairs prepared yet another note, but for some reason it was not sent.

On December 29, 1934, the Sheik of Bahrein granted the Bahrein Petroleum Company a mining lease to extend for fifty-five years from January 1, 1935. This lease covered approximately 100,000 acres selected by the company in one block on the main island of Bahrein.

The Bahrein Petroleum Company, however, did not have facilities to market its production. The Texas Corporation, on the other hand, had extensive marketing facilities, both direct and through agents, in the areas east of Suez. Therefore, Stan-

dard Oil of California and the Texas Company therefore, 471
consolidated their interests "east of Suez", and in July 1936 648
created Caltex (the California-Texas Oil Company, Ltd.), incorporating in the Bahamas. The Texas Company transferred to the Bahrein Petroleum Company, (sole owner of Caltex), its five wholly-owned subsidiaries with marketing facilities in eastern and southern Africa, eastern and southern Asia, the Philippine Islands, the East Indies, Australia, and New Zealand. In turn, the Texas Company acquired a 50% interest in Bahrein which doubled its capitalization, and issued the newly created shares to The Texas Company. Standard Oil of California continued to hold the remaining 50%.

The rivalry between Britain and Italy, and the Italo-Ethiopian 648
War, motivated Great Britain to strengthen her defenses in the Persian Gulf. Since 1930, the Baghdad-Karachi route, which had passed over the Persian mainland, had been detoured southward to pass over Koweit, Bahrein, and Sharjah (in Oman), then follow the coast to the Persian Gulf to Gwadar, in English Baluchistan, and thence to Karachi.

The British Government purchased from the Sheik of Bahrein, the vast promontory on the northeastern point of the island at Manama, in order to transfer their naval base from Henjam and Basidu, to Bahrein. The Bahrein Government agreed to undertake the construction there of the necessary buildings for lodging officers and men, and a military airport was built for the R. A. F., as well as a base for hydro-planes.

The British Naval base at Basra was abandoned, and Bahrein became the strategic center for Britain in the Gulf. It is the seat not only of the Political Resident, but also of the Political Agent for Bahrein, the Assistant Political Agent, the Political Officer for the Trucial Coast, and the Publicity Officer for the Persian Gulf. These officials are to be distinguished from the technical advisers to the Sheik, who, although they are also British subjects, are state servants of Bahrein, and thus not subordinate to the Persian Gulf Residency. Chief among these are: the Political Adviser to the Government of Bahrein, the

Collector of Customs, the State Engineer, and the Superintendent of Schools.

On November 16, 1935, the Governments of Saudi Arabia and the United Kingdom, acting on behalf of the Bahrein Government, entered into an Agreement regarding the "treatment of goods destined for or exported from ports in Saudi Arabia and carried in ships calling at Bahrein." The economic provisions were as follows:

1. Duty at the rate of 2% ad valorem shall continue to be levied on goods consigned to ports in Saudi Arabia or exported from ports in Saudi Arabia, which are landed at Bahrein in order to be re-exported.
2. Duty at the rate of 1-¾% ad valorem shall be levied on goods consigned to ports in Saudi Arabia, or exported from ports in Saudi Arabia, which are trans-shipped (that is, loaded and unloaded direct from ships into dhows and dhows into ships anchoring off Bahrein) without being landed.
3. In consideration of the reduction in the ordinary rate of 2%, which is provided for in the preceding paragraphs, the Saudi Government will not make any request for exemption from the above-mentioned duties in the case of goods consigned to H. M. the King of Saudi Arabia or to his Government.
4. Customs duty at the rate of not more than 5% ad valorem shall be levied on dates imported into Bahrein from the ports of Saudi Arabia, but the rate provided for in Paragraph 2 above shall be levied on dates transshipped without being landed. The above mentioned duties shall be continued on the basis of wholesale price of dates of similar quality in Bahrein market on the day on which the consignment is cleared through customs.

After the signing of this Treaty of Commerce, the eldest son of Ibn Saud, newly elected the heir apparent of Saudi Arabia, visited Bahrein, and the Sheik of Bahrein participated in the

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pilgrimage to Mecca, where he was officially received by Ibn Saud. The latter returned the visit in 1938 and stayed in Bahrein from May 2 to 7. 648

During the grandiose ceremonies at Bahrein, Sheik Hamed and his sons Abdallah (Governor of Muharraq), and Salman (Governor of Manama, and the present Sheik), pronounced speeches of welcome, sang Arabian poetry in honor of Ibn Saud, and exalted his visit as a sign of existing fraternity between Arab and Mussulman.

All this was part of a general pattern to favor the Arab unity. This unification of Arab lands which started after the first World War, was favored by the foreign office, and some quarters were favoring the unification of the Sheikdom of the Persian Gulf.

Beginning in 1937, the project of unification took on a more concrete form, especially after the journey to London of the Sheik of Bahrein and the still more noteworthy visit to Bahrein of the eldest son of Ibn Saud. (December 14-31, 1937). The final outcome was the adherence of these Sheikdoms to the much discussed Pact of Arab Alliance that had been signed by Saudi Arabia, Yemen, and Iraq.

The British Consuls in the Middle East, met in 1938 to discuss the project of unification, but decided to wait for a "more propitious time." The reasons for this decision, were the difficulties between Koweit and Bahrein, the very cool reception accorded by Ibn Saud, who had always had an eye on Bahrein, and the opposition of the Colonial Office, which feared that the allegiance of the English protectorates to the Pact of Arab Alliance (the signatories to which were supposedly free countries), might diminish its value in the eyes of the public.

According to some Arab sources, the proposed unification consisted of:

1. Unification of the programs of studies in the schools;
2. Unification of postal and telegraph systems;
3. Institution of a common regular army, independent in each Sheikdom, but with a single General Staff;

648 4. Unification of judicial systems and the formation of a High Council in which each Sheikdom should be represented;

5. A Chamber whose membership would be elective or nominative by each Sheik (or having both elective and nominative members) in charge of establishing financial laws and approving the laws proposed by the High Council. The Government of each Sheik must submit to the chamber, whose members would be responsible to their respective rulers.

In the meantime, a law of citizenship hostile to Persian elements was promulgated in Bahrein.

Persia once again addressed a note to the General Secretariat of the League of Nation, protesting the intervention of British advisers in the internal affairs of the islands. Persia condemned the laws as "contempt of the right of the sovereignty of Persia over the island."

648 The arbitrary measures adopted by the Political Resident in
648 Bahrein provoked a new series of writings.

From the fifth to the seventh of November, 1938, the merchants of Manama closed their shops as a sign of protest against the Political Agent, Belgrave, who had arrested three Bahreini notables. The demonstrators advocated the formation of a native committee to direct education; the administration of justice by native Bahreinis; the creation of trade unions; formation of a Legislative Council; replacement of the British Political Agent; expulsion of unskilled foreign workers in the service of the oil companies and their replacement by subjects of Bahrein. The English declared martial law, and many persons were arrested and a few exiled. A group of these refugees, with the help of sympathizers, formed at Basra, in Iraq, in 1939, an "association to Help the Arab of the Gulf" for the purpose of propagandizing in favor of the Arabs oppressed by the British.

648 However, at the outbreak of the second World War, each of the Sheiks of the Gulf sent messages of fidelity to the British

Crown, and the King of England wrote to each to thank him for his generous offer. A typical gesture, announced proudly by BBC, was that of the Sheik of Bahrein, who declared that, although he had no men whom he could put in the service of the British, he was able to send a gift of money. This gift, which amounted to £30,000, was added to a pool organized to buy a Spitfire which was to be named *Bahrein*. In addition to the monetary gift, the Government put at the disposal of the British Admiralty "for the duration of the war", the entire pearl fishing fleet of the island, estimated at more than 3,000 units.

Meanwhile, by a Supplementary Agreement dated June 19, 1940, the Bahrein Petroleum Company received an extension of its concession, to include the area covering all lands, shoals, reefs, waters, and submerged lands of "the present and future domains" of the Sheik of Bahrein. The new concession supplants the mining lease of 1934, and the revised agreement with the Bahrein Petroleum Company covers a period of fifty-five years, dating from June 19, 1940. The present area of the concession is given as approximately 1,664,000 acres, with a proved reserve of about 200 million barrels.

The refineries and oil depots of the Bahrein Islands were bombed in October 1940 by three Italian heavy bombers—with "satisfactory results", according to a communiqué of the Italian High Command of October 20, 1940. The planes had taken off from Dodecanese bases, and the 2,500 mile raid was the longest then on record by any of the belligerents.

The results were not, according to Allied sources, as satisfactory as the Italians claimed. The planes which dropped about fifty bombs, caused very little damage to the main part of the refinery.

According to *Middle East Journal*, the Persian Government protested to Italy for this violation of its national territory.

On February 20, 1942, at the age of 70, Sheik Hamed died of a stroke and his eldest son, Salman, the Governor of Manama, succeeded him. British recognition was announced by the

648 *London Times* of March 6, 1942. In July of the same year, the personal salute of the ruler of Bahrein was fixed at eleven guns.

On the occasion of his succession, Salman issued the following manifesto:

"We, Salman, have succeeded to the throne according to the promise which our father made to us, with the unanimous consent of our paternal uncles and our brothers and all of our tribe. We declare solemnly as our father ordered us, with the help of God to remain firmly attached to our religion, to be vigilant, to ameliorate the conditions of our tribe and our country, to act according to justice and equity, and, acting to reinforce the old ties of friendship which bound our country to England, to remain faithful foreyer to her friendship. We pray God, the All-Merciful and All-Powerful, to protect, guide, and help us."

The realities of war were brought home to Bahrein by price control and rationing system. The Government bought and imported all food supplies for the population, shops were opened in towns and in villages for rationed goods, and the queue system introduced.

There occurred a shortage of rice, staff food of the population, due to the drastic reduction of shipping facilities and the loss to the Japanese of Burma, Indo China and other producing centers. Rice was replaced by wheat, and as a result there was vast discontent among the population.

The black market flourished, and smuggling was rampant. Goods whose export was forbidden, were smuggled out of the country. At one time a bag of sugar could be bought in Bahrein for about 80 rupees; opposite on the Persian Coast, the same bag would be sold for 800 rupees. Motor tires were sold at fabulous prices in Persia and Iraq, and tea was a profitable commodity for smugglers.

122 228 The pearl industry flourished, although the fleets of diving boats were smaller because many divers preferred to earn money on the shore, and high prices were obtained for pearls in India, where people invested money in precious stones. No European

buyers visited the Gulf, and few, if any pearls were sent to Europe.

Owing to important developments in the Bahrein oil industry and war time public works, there was a great demand for labour. Not only manual labourers and skilled men, but any young Arabs with slight education could obtain well paid posts.

Many Bahreini invested their money in gardens and house property which resulted in a land boom. Axis broadcasts were forbidden in public places but most people listened to them in their houses.

To prevent any disturbances, very strong security measures were taken, and the police force numbered some 700 people.

The population sympathized with the Arabs of Palestine in their resistance to Jewish immigration, and in Bahrein, serious rioting broke out in answer to American stands concerning the partition of the Holy Land. Manama synagogue and scores of Jewish shops were wrecked and the Jews were beaten. At the same time, posters appeared on the streets at night denouncing Americans as the "foreigners who steal our oil."

To forestall any trouble, a Military Government was declared in Bahrein, and extraordinary precautions taken. These measures were resented by the Bahreini who complained to Persia.

The old quarrel over the ownership of Bahrein was revived, and the Cabinet decided on April 18, 1946, to charge taxes and royalties on oil entering Iran from Bahrein. The tax was fixed at $.80 a barrel, plus 20% of the annual net revenue of the Company, that is, the equivalent of the tax collected on the production of the Anglo-Iranian Oil Company in Iran.

At the end of 1947, a delegation from Bahrein arrived in Teheran. The delegation was headed by a very prominent Sheik who was to represent Bahrein at the Iranian Parliament. He was received in a secret session of the Parliament, but as he was not duly elected, according to Persian election laws, it was decided that Majlis could not take any step in regard to its admission. In the session of April 15, 1948, the Parliament

voted unanimouly to place at the head of its agenda, a bill to assert Iranian sovereignty over Bahrein.

The Iranian authorities announced that telegrams and letters for Bahrein would be dispatched at domestic rates, as the Islands are part of Iranian national territory.

To complicate the matter, there was talk of partnership between the English and American oil interests in the Persian Gulf.

The question of participation of Socony Vacuum and Standard Oil of New Jersey in the holdings of Arabian Oil Company, and the building of the Tap Line, were under consideration.

Then there emerged an entirely new problem. On October 2, 1945, President Truman issued a presidential proclimation, that whatever may be under the waters of the Gulf of Mexico to the continefital shelf "appertains" to the United States.

His precedent was the exploitation of the guano deposits of the Navassa Island, which since 1804 had legally belonged to Haiti. The United States, however, over the protest of the Haitian government, declared that Navassa "appertained" to the United States.

This was to extend the control by the coastal states over submarine areas beneath the high seas and outside of territorial waters.

The Iranian Government in a draft legislation submitted to the Parliament on May 19, 1949, affirmed the intention to extend Iranian sovereignty to the Continental Shelf in the Persian Gulf.

On May 28, the Saudi Arabian Government also pronounced, although on somewhat different theory, on a concept of contiguity, its claim over the waters of the Persian Gulf. This was followed on June 5, 1949, by a proclamation by the Sheik of Bahrein that the "sea bed and sub-soil of the high seas of the Persian Gulf bordering on the territorial waters of Bahrein and extending seaward. . . belong to the country of Bahrein, and are subject to absolute authority and jurisdiction."

However, the limit was to be determined "after consultation with the neighboring governments," . . . with the principles of justice, when occasion so requires."

Soon afterwards, the Bahrein action was followed by proclamations of six other Sheikdoms along the Trucial coast, in substance similar to that of Bahrein.

Since then, the extraction of oil and other minerals from the bottom of the sea, has become a relatively easy every day operation.

At present, there are several wells operating in the Gulf of Mexico at distances of ten to forty miles from the American mainland, and at various depths. Therefore, the legal problems created by these proclamations have more than academic interest.

The islands and subsoil of the Persian Gulf have been classified as Zone 8, in the Operational Agenda plans of the Iranian Oil Company, which is a nationally owned company.

On the other hand, the Arabian Oil Co. and the Bahrein Petroleum Co. are exploiting Saudi Arabian and Bahrein oil. It is obvious that the two interests are working in opposite directions.

By the signing of the Anglo-American Oil Agreement, the two Governments are acting jointly, and the partnership of the Anglo-Iranian "oil deal" has united the interests of the two Governments.

However, to the eyes of Persians, Bahrein constitutes a "terra iredenta", and the Persian Government naturally resents any attempt to neglect its claim over Bahrein which it considers an integral part of its national territory.

In the last three years, Persia has proclaimed this attitude three times.

On April 2, 1949, the International Postal Union, in a circular, represented Bahrein among its adherents. Persia protested, and affirmed that it would continue to consider Post Office in Bahrein as an office in the territory of Persia.

648 In its reply, the International Postal Union declared that the Post Office in Bahrein is working only under the supervision of the British mail office, and that this working procedure had no political implications concerning the ownership of said territories.

In November and December 1949, a meeting of Economic Conference of Asian Nations was held in Karachi, Pakistan. The host state invited Bahrein to send a representative, but the Iranian Government protested to Pakistan, and asserted that it would not participate in the conference if Bahrein, which is an integral part of Persia, were invited separately. The invitation sent to Bahrein was then called off, and Iran attended the meeting.

Still more recently in August 1950, at the Regional Conference of the World Health Organization held in Constantinople, Persian attitude was the same, and Bahrein was not invited to attend the conference.

Over this clash of interests between Persia on one side, and England backed by the United States, comes the shadow of the Russian Bear. The aim of Russian policy to reach the Persian Gulf is an open secret.

On October 13, 1940, just after the signing of the Tripartite Pact by Germany, Italy, and Japan, Russia was invited to become a fourth member. Ribbentrop wrote to Stalin, inviting Molotov to Berlin for a discussion of foreign policy, and Molotov arrived the middle of November. After some preliminary discussion, an agreement was drawn up providing, among other things, that Russia's slice of territory should lie "to the South of the territory of the Soviet Republics in the direction of the Indian Ocean." This was subsequently amended to give Russia specifically "the area south of Baku and Batum in the direction of the Persian Gulf." After the outbreak of the war, Berlin sounded out Moscow to see if a separate peace would be possible, and Russia, in a note, created the impression in Berlin that it would be, if Germany met certain stiff demands; among these was the Russian expansion south and east to Gwadar.

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Supposedly because the Germans considered the demands too great, the negotiations fell through. 648

According to Cordell Hull, before going to the Moscow Conference, President Roosevelt felt that the Baltic passages—Kiel and the straits might each be set up as a free zone under international trustees, and that a similar zone might be ararnged for Russia to the Persian Gulf.

Many waters have passed under the bridge since 1943; with open antagonism between the United States and Russia following the Cold War, and with the chapce of open hostilities, the importance of the Persian Gulf as a strategic area has been brought to light.

In case of war, the American oil holdings in Saudi Arabia, and the Anglo-Iranian Company installations in Southern Persia, would be the first targets of an eventual enemy.

The American military air base of Dhahran in Saudi Arabia would be of no value without the English naval military bases on Bahrein Island. [712]

In short, the future of Bahrein will no doubt prove as complex as its past, but let us hope that wisdom will prevail; that the peace which is no doubt everybody's desire will be accomplished; and that a happy solution, satisfactory to all concerned, may be established.

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APPENDIX

I

Translation of Agreement signed by the Chief of Bahrein, dated December 22, 1880.

I, Isa bin Ali Al Khalifah, Chief of Bahrein, hereby bind myself and successors in the Government of Bahrein to the British Government to abstain from entering into negotiations or making treaties of any sort with any State or Government other than the British without the consent of the said British Government, and to refuse permission to any other Government than the British to establish diplomatic or consular agencies or coaling depots in our territory, unless with the consent of the British Government.

This engagement does not apply to nor affect the customary friendly correspondence with the local authorities of neighboring States on business of minor importance.

The above agreement is subject to the approval and acceptance of His Excellency the Viceroy and Governor-General of India in Council.

Isa Bin Ali
Ahmad Bin Ali

Signed and sealed at Bahrein on the twenty-second day of December, one thousand eight hundred and eighty in my presence.

E. C. Ross, Lieut.-Col.,
Political Resident, Persian Gulf

The above Agreement was accepted and ratified by Her Britannic Majesty's Government in 1881.

E. C. Ross, Lieut.-Col.,
Political Resident, Persian Gulf

II

Exclusive Agreement of the Sheik of Bahrein with the British Government, March 13, 1892.

I, Esau Isá bin Ali, Chief of Bahrein, in the presence of Lieutenant-Colonel A. C. Talbot, C.I.E. Political Resident, Persian Gulf, do hereby solemnly bind myself and agree, on behalf of myself, my heirs and successors, to the following conditions, viz.:

1st, That I will on no account enter into any agreement or correspondence with any Power other than the British Government.

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2nd, That without the assent of the British Government, I will not consent to the residence within my territory of the agent of any other Government.

3rd, That I will on no account cede, sell, mortgage, or otherwise give for occupation any part of my territory save to the British Government.
Dated Bahrein, 13 March 1892, corresponding with 14th Shaaban, 1309.

Esau bin Ali
Chief of Bahrein

A. C. Talbot, Lieut.-Col.
Resident, Persian Gulf

Lansdowne
Viceroy and Gov. Gl. of India

Ratified by His Excellency the Viceroy and Governor-General of India at Simla on the twelfth day of May, 1892.

H. M. Durand
Secretary to the Gov't. of India, Foreign Dept.

III

Undertaking by the Sheik of Bahrein, regarding oil, 1914. (Translation of a letter dated the 18th of Jamadi II, 1332 (May 14, 1914) from Sheik Isa Bin Ali Al Khalifah, Chief of Bahrein, to Major A. P. Trevor, C.I.E., Political Agent, Bahrein):

I have received your esteemed letter No. 531, dated the 18th Jamadi II 1332 (May 14, 1914), on the subject of the possibility of obtaining kerosene oil in Bahrein. Just as I informed your honor in my letter, dated the 17th Jamadi-us-sani 1332, when the time comes for obtaining it I will certainly consult the Political Agency. I do hereby repeat to you that if there is any prospect of obtaining kerosene oil in my territory, I will not embark on the exploitation of it myself and will not entertain overtures from any quarter regarding it without consulting the Political Agent in Bahrein and without the approval of the High Government.

This is what had to be said. May you be preserved and salams.

IV

641 **Bahrein Nationality Law**

ARTICLE I.

The following are considered to be Bahrein nationals:

(a) All persons born in Bahrein before or after the date of this Law except as provided for in Article II.

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V

Bahrain Government* Proclamation No. 37/1368, June 5, 1949

TO WHOME IT MAY CONCERN:

WHEREAS it is desirable to encourage any efforts to facilitate the derivation of greater benefit from the natural resources of the earth, and

WHEREAS valuable resources exist beneath parts of the Persian Gulf near the shores of Bahrain, and it has become possible to derive increasing benefit from these submarine resources, and

WHEREAS it is desirable, for the purposes of conservation, preservation, and orderly development, that extraction of these resources shall be regulated as necessity dictates, and

WHEREAS it is just that the sea bed and the subsoil extending a reasonable distance from the shore should belong to and be administered by the government of the adjacent coast, and

WHEREAS the right of any coastal government to exercise its sovereignty over the natural resources of the sea bed and the subsoil in the vicinity of its shores has been established by international practice through the action taken by other governments,

ACCORDINGLY, WE, SALMAN IBN HAMAD AL KHALIFAH, Ruler of Bahrain, by virtue of the powers vested in us in this respect, are pleased to issue hereby the following proclamation:

WE, SALMAN IBN HAMAD AL KHALIFAH, Ruler of Bahrain, hereby declare that the sea bed and the subsoil of the high seas of the Persian Gulf bordering on the territorial waters of Bahrain and extending seaward as far as limits that we, after consultation with the neighboring governments, shall determine more accurately in accordance with the principles of justice, when the occasion so requires, belong to the country of Bahrain and are subject to its absolute authority and jurisdiction.

There is nothing in this proclamation that may be interpreted as affecting dominion over the islands or the status of the sea bed and the subsoil underlying any territorial waters.

There is nothing in this proclamation that may be interpreted as affecting the character of the high seas in the waters of the Persian Gulf over-lying the sea bed and beyond the limits of the territorial waters, or the status of the air space above the waters of the Persian Gulf beyond the territorial waters, or fishing, or the traditional rights of pearling in these waters.

SALMAN IBN HAMAD AL KHALIFAH
Ruler of Bahrain

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* From The American Journal of International Law, Vol. 43, Oct. 1939.

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IRAN'S CLAIM TO THE SOVEREIGNTY OF BAHRAYN

By Majid Khadduri

School of Advanced International Studies, The Johns Hopkins University, Washington, D. C.

I. Introduction

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The Oil Nationalization Act passed unanimously by both houses of the Iranian Parliament in March, 1951, raised once more the long-standing issue of Iran's claim to sovereignty over Bahrayn. The Iranian extremists, from both the left-wing *Tudeh* Party and the right-wing *Fida'iyan Islam* group, at first criticized Parliament for its silence about the oil of Bahrayn but, when the law for the expropriation of the Anglo-Iranian Company was enacted in April, they demanded that these laws should in like manner be applied to the Bahrayn Petroleum Company, jointly owned by the Standard Oil Company of California and the Texas Company, on the grounds that the Bahrayn Islands form a part of Iranian territory.

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The question of Iran's claim to jurisdiction over the oil of Bahrayn was first raised when the Shaykh of Bahrayn granted a concession to a British company in 1930. The Iranian Government sent a note of protest to the British Government on July 23, 1930, denying the right of the Shaykh of Bahrayn to grant a concession for exploiting the oil resources of these islands without Iran's approval, on the grounds that "the Bahrayn Islands form an integral part of Persia [Iran], and that Persia possesses incontestable rights of sovereignty over those islands. . . ."[1] This protest was followed by another to the United States Government on May 22, 1934,[2] when an oil concession was granted by the Shaykh to the Standard Oil Company of California. The note stated:

> According to information recently received by the Imperial Government [of Iran], a concession to exploit Bahrein oil has just been obtained by the Standard Oil Company of California, which has begun operations and has already extracted large quantities of oil.
>
> I have the honour to draw your serious attention to the above and to inform you that the concession in question or any other concession acquired by the Standard Oil Company or any other company whatsoever—having been obtained, not from the Persian Government, whose rights of sovereignty over the Bahrein Islands are incontestable, but from legally incompetent authorities who have no right to grant such concessions—is regarded as null and void. My Government strongly

[1] For text of the note, see League of Nations Official Journal, September, 1930, p. 1083.
[2] *Ibid.*, August, 1934, p. 969.

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protests against this concession and considers itself at liberty to claim and demand the restitution of any profit that may accrue from such concessions, as well as compensation for any damage that may result therefrom. . . .[3]

In view of the fact that Iran's claim to sovereignty over Bahrayn had been reiterated in the past on several occasions, it is likely that such a claim might be put forth again under favorable circumstances. After the second World War the issue was revived by Prime Minister Qawam as-Sultanah in 1946. He announced that all oil produced in Bahrayn and shipped to the Iranian mainland would be taxed at the same rate as that produced by the Anglo-Iranian Oil Company. If Iran's claim to the sovereignty of Bahrayn is valid, the Oil Nationalization Act, unless it specifically excludes Bahrayn or unless the Act by its terms applies only to the Anglo-Iranian Oil Company, must *ipso jure* apply to the Bahrayn Petroleum Company. While such claims have often been disregarded, they might assume a certain seriousness should the *Tudeh* Party seize power and, supported or inspired by Russia, seek excuses for intervention in the Persian Gulf by raising the question of Iran's claim to sovereignty over Bahrayn.

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Before turning to a discussion of the validity of Iran's claim, a word on the geography of the Bahrayn Islands might be useful. The term "Bahrayn" (which means the "two seas") was originally applied to the continental coast of Arabia (al-Hasa), the peninsula of Qatar, and the group of islands which separat. the bay between Hasa and Qatar into the "two seas." But this term came to be applied only to those islands which form the "two seas." The Bahrayn Islands are an archipelago of coral formation (except perhaps the rocky hills in the center of the largest island) which includes Bahrayn, the largest (it is 27 miles long by 10 wide), Muharraq (second in size, five miles in length, and situated to the north of Bahrayn), Sitrah, Umm Na'san and a number of smaller islands. This archipelago was famous for its pearl fisheries from antiquity and more recently for the oil resources which have been discovered since the first World War. Its strategic value may assume an increasing importance should Communism penetrate southward towards Iran, Iraq, and the Persian Gulf.[4]

[3] The British Government had already objected to the grant of oil concessions to other Powers, but the United States State Department, pressing for equal opportunities for American interests, secured British agreement to the participation of American interests in the oil of Bahrayn. For an exchange of notes on this matter see Papers Relating to the Foreign Relations of the United States, 1929, Vol. III (Washington: Government Printing Office, 1944), pp. 80–82.

[4] For the geography of the Bahrayn Islands, see J. Theodore Bent, "The Bahrayn Islands in the Persian Gulf," Proceedings of the Royal Geographical Society, Vol. XII (January, 1890), pp. 1–19; Captain A. W. Stiffe, "Ancient Trading Centers of the Persian Gulf, VII: Bahrein," The Geographical Journal, Vol. XVIII (September, 1901), pp. 291–294; Maynard Owen Williams, "Bahrein: Port of Pearls and Petroleum," The

[FOR the rest of the footnote see p. 633]

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II. The Controversy between Iran and Great Britain over Bahrayn

For over a century, from the time when Great Britain entered into treaty relations with the Shaykh of Bahrayn, Iran let pass no opportunity to make representations against the establishment of direct relations with the Shaykh by any foreign Power or to assert its own sovereignty over these islands. Probably the most important recent protest which Iran made was the one which it sent to the League of Nations, under Article 10 of the League Covenant, on the occasion of the signing of a treaty between King Ibn Saud and Great Britain on May 20, 1927.[5] Article 6 of this treaty[6] stated:

> His Majesty the King of the Hejaz and Nejd and its Dependencies undertakes to maintain friendly and peaceful relations with the territories of Kuwait and Bahrain, and with the Sheikhs of Qatar and the Oman Coast, who are in special treaty relations with His Britannic Majesty's Government.

This treaty caused a sharp note of protest to be sent by the Iranian Government to Great Britain on November 22, 1927,[7] in which it was stated:

> The Persian Government . . . protests emphatically against the part of the Treaty referred to, and looks to the British Government to take steps without delay to nullify its effects.

A copy of this note was communicated to the Secretary General of the League of Nations on November 23 with a covering letter[8] stating:

> This protest is communicated to you for the information of the States Members of the League of Nations, all of which are bound by the Covenant and, in particular, by Article 10, which guarantees the territorial integrity of each of them.

To this note Sir Austen Chamberlain, the British Foreign Secretary, replied on January 18, 1928, denying that "any valid grounds" exist upon which Iran could claim sovereignty over Bahrayn.[9] This reply elicited another note from the Iranian Government, dated August 2, 1928, in which the Iranian viewpoint was emphatically reiterated; but to this Sir Austen

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National Geographic Magazine, Vol. LXXXIX (February, 1946), pp. 195–210; Abbas Faroughy, The Bahrein Islands (New York, 1951); J. Oestrup, "Al-Bahrain," Encyclopedia of Islam, Vol. I, pp. 594–595.

[5] This treaty, known as the Treaty of Jidda, was based on an earlier similar treaty signed by Ibn Saud and Britain on Dec. 26, 1915, but the earlier treaty did not elicit a protest from Iran.

[6] British Parliamentary Paper (1927), Cmd. 2951. See also A. J. Toynbee, Survey of International Affairs, 1928 (London, 1929), Appendix I, pp. 439–440.

[7] League of Nations Official Journal, May, 1928, p. 605.

[8] *Ibid.*

[9] A copy of this letter was sent to the Secretary General of the League of Nations on Feb. 25, 1928, for communication to Member States of the League of Nations for information.

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replied in a detailed note of February 18, 1929, in which the juridical and historical arguments of the Iranian Government were challenged. This controversy occurred at a time when the British and Iranian Governments were already in conflict over a number of other problems, such as the dispute over Shatt al-Arab with Iraq,[10] Iran's relations with the Shaykh of Muḥammarah, and Iran's desire to secure the abrogation of the Capitulations.[11] Some of these problems were later settled by negotiations; but for the conflict over Bahrayn, which for a century had been the subject of controversial discussion, no conclusive settlement was expected.

The argument of the Iranian Government in its notes of November 22, 1927, and August 2, 1928,[12] was based in the main on Iran's historical connections with, and an alleged recognition by Britain of its possession of, the islands. Iran claimed that the islands had "uninterruptedly" formed part of its territory, except during the Portuguese occupation from 1507 to 1622, and that their Shaykhs, since the expulsion of the Portuguese, "have always recognised Persian sovereignty." This historical claim, to which Iran attached great importance in its controversy with the British Government, will be briefly analysed in the next section.[13]

Apart from its historical claims, Iran declared that the British Government had recognised in the past its sovereignty over Bahrayn. This alleged recognition seems to have been implicit, as indicated in the Iranian note, rather than explicit. The note of August 2, 1928, cited two documents in support of this contention.

The first was an agreement signed on August 30, 1822, between Captain William Bruce, representing the British Government, and the Prince-Governor of Shiraz, representing Iran. Though this agreement was at once repudiated by both governments on the ground that the two negotiators had signed it without prior authorization, it was regarded by the Iranian Government as an evidence of its possession of Bahrayn. "The historical truth," stated the Iranian note of August 2, 1928, "which plainly emerges from this agreement is the assertion and confirmation by Captain Bruce of the fact that the Islands of Bahrein then formed part of the Persian province of Fars." Captain Bruce, added the Iranian note, was in "an excellent position to know the facts," as they were then known. While Captain Bruce might have been ill informed about the reality of Iran's connections with Bahrayn—a possibility which was entirely overlooked by the Iranian Government when it asserted, without giving any evidence, that Captain Bruce was in a position "to know the facts"—he seemed to have

[10] See Majid Khadduri, Independent Iraq (London, 1951), pp. 240-244.

[11] A. J. Toynbee, Survey of International Affairs, 1925 (London, 1927), Vol. I, pp. 539-543; Ibid., 1934 (London, 1935), p. 223.

[12] For texts of these two notes, see League of Nations Official Journal, May, 1933, p. 605; Ibid., September, 1933, pp. 1260-1263. [13] See section 3, below.

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had no authority to negotiate such an agreement, since it was promptly repudiated by the British Government.

The second document consisted of an exchange of correspondence between Lord Clarendon and Persia on the questions of piracy and slave trade in the Persian Gulf. In reply to Persia's assertion of its sovereignty over Bahrayn, Lord Clarendon stated on April 29, 1869, that:

> The British Government readily admit that the Government of the Shah has protested against the Persian right of sovereignty over Bahrein being ignored by the British authorities, and they have given due consideration to that protest.

Not only was this passage construed to constitute recognition, but also another, cited from the same letter (with regard to piracy in the Persian Gulf), in which Great Britain conceded certain Persian rights in policing the Gulf. Lord Clarendon stated:

> If the Persian Government are prepared to keep a sufficient force in the Gulf for these purposes, this country would be relieved of a troublesome and costly duty, but if the Shah is not prepared to undertake these duties, Her Majesty's Government cannot suppose His Majesty would wish that in those waters disorder and crimes should be encouraged by impunity.

If Persia had then been able to police the Gulf, the Iranian note concluded, then the British Government would have considered itself relieved from its "duty" and would have withdrawn, leaving Persia to carry out these duties. If the "duty" of policing the Persian Gulf had actually devolved upon Persia, in case Britain decided to withdraw from the Gulf, it does not follow, as the Iranian Government concluded, that the action would have constituted British recognition of Iran's sovereignty over Bahrayn. The Iranian Government failed to see that the right to police the Gulf (which was conceded by Britain) would not necessarily constitute recognition of its sovereignty over Bahrayn. Nevertheless, the Iranian Government contends that Britain had recognized Iran's sovereignty in the past and that there is no "justification of its refusal [now] to recognize Persian sovereignty over Bahrein."

It follows accordingly, from the Iranian standpoint, that the Shaykhs of Bahrayn have merely exceeded their power by entering "into direct relations with a foreign State without the express authorization of the central Government," and, therefore, their action lacks "juridical value in international law."

In his reply to this argument Sir Austen Chamberlain, Secretary of State for Foreign Affairs, sent two notes to the Iranian Government dated February 25, 1928, and February 18, 1929, in which not only the Iranian historical claim was questioned but the contention that the British Govern-

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ment had recognized its sovereignty over Bahrayn was also challenged.[14]

Iran's claim that the British Government had ever recognized its sovereignty over Bahrayn was emphatically denied by Sir Austen Chamberlain. For ever since the year 1820, when Great Britain entered into treaty relations with the Shaykh of Bahrayn, it had acted on the assumption that the Shaykh was an independent ruler. When Captain Bruce, accordingly, negotiated the agreement of 1822 with the Governor of Shiraz, the agreement was promptly repudiated and Captain Bruce was recalled. "The main reason recorded for his recall," stated Sir Austen, "and for the prompt disavowal of this tentative agreement is that 'it acknowledges the King of Persia's title to Bahrein, of which there is not the least proof.'" Further, this agreement was also repudiated by the Shah of Persia who "expressed his displeasure that the Prince of Shiraz should have entered into any arrangements with the British Government without his knowledge or instructions." Since the Bruce agreement was repudiated by both Britain and Persia, it could hardly be cited as evidence of recognition by either party.[15]

With regard to Lord Clarendon's note of April 29, 1869, to which the Iranian Government attached greater importance, Sir Austen stated that the Iranian Government was "under a complete misunderstanding" in its interpretation of this note as meaning that "any recognition" of the Persian claims to sovereignty in Bahrein "was at that time intended."

The full text of the Clarendon note, however, was never published, which makes it indeed difficult to discover what Lord Clarendon's precise position was. But even if we analyze the meaning of the quotation apart from its context, it would seem that the British Government merely stated that the Iranian protest was duly considered.[15a] Due consideration of the protest could hardly be regarded as an admission that the claim was legally valid. As Sir Austen Chamberlain rightly stated in his note of January 18, 1928:

> . . . the whole tenor of the note should have made it clear that Her Majesty's Government maintained their right to enter into direct treaty relations with the Sheikhs of Bahrein as independent rulers; and while, at the same time, it indicated that Her Majesty's Government would gladly transfer to Persia, if she were able and willing to perform them, certain duties in the Persian Gulf towards the performance of

[14] For the text of the Chamberlain notes, see League of Nations Official Journal, May, 1928, pp. 605–606; *ibid.*, May, 1929, pp. 790–793.

[15] The Bruce agreement, it seems, had been cited by the Iranian Government in a number of former exchanges of letters, such as those of 1906 and 1907, but the British Government had invariably stated that the Bruce agreement under no circumstances implied recognition, since it was promptly repudiated by both parties. See League of Nations Official Journal, May, 1928, p. 607.

[15a] This conclusion has been confirmed by an examination of the full text of the correspondence, which was made available to the writer by the British Foreign Office after this article went to press.

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which the treaty relations in question contributed, and offered, in view of the friendly feelings entertained by Her Majesty's Government to be informed beforehand, when practicable, of any measure of coercion which the conduct of the Sheikhs might have rendered necessary, it is evident that no recognition of the validity of the Persian protest, or of the Persian claim to suzerainty, was thereby intended or implied.[16]

Probably greater emphasis is laid in the Iranian note on the general principles of international law which are invoked in its various sections. The general rule is stated at the beginning of the note as follows:

> A territory belonging to a sovereign State cannot be lawfully detached so long as the right of ownership has not been transferred by this State to another State in virtue of an official act, in this case a treaty, or so long as its annexation by another State or its independence have not been officially recognized by the lawful owner of the territory.

Since the Iranian Government has never transferred or renounced its sovereignty over Bahrayn nor recognized its annexation by another state, it must therefore, according to the Iranian note, belong to Iran. International practice, however, could hardly support this rule, and its validity would actually permit any state to advance a claim to territory on the ground that its loss in the past had not been confirmed by an express approval of the owner. The effective establishment of the independence of a territory seems to supersede any previous connections. If the recognition of such independence was given by the Powers, even if the owner was not among them, the territory would be regarded as an independent sovereign state.

An Iranian writer, Mr. Malek Esmaili, in defending the claim of his country to sovereignty over Bahrayn,[17] cited the *Clipperton Island* case,[18] submitted by France and Mexico to the arbitration of the King of Italy in 1909, to prove his case. The following quotation from the arbitral award is given as pertinent:

> There is no reason to suppose that France has subsequently lost her right by *derelictio*, since she never had the *animus* of abandoning the island, and the fact that she has not exercised her authority there in a positive manner does not imply the forfeiture of an acquisition already definitively perfected.

Mr. Esmaili's case is weakened by the fact that Clipperton Island was an uninhabited territory. Further, Mexico failed to prove any actual exercise of sovereignty over it after it was discovered by France in 1858. Thus it was decided that the island must belong to France, since in the uninhab-

[16] *Ibid.*, p. 606.

[17] M. Malek Esmaili, *Le golfe persique et les îles de Bahrein* (Paris, 1936), pp. 200–204.

[18] See translation of the arbitral award in this JOURNAL, Vol. 26 (1932), pp. 390–394.

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ited character of the island "occupation" need not necessarily be more than the mere announcement of an intention to take possession and the continuous assertion of title.

In an inhabited territory such as the Bahrayn Islands the mere assertion of title by Iran could hardly be regarded as sufficient, if she failed to establish in the territory an organization capable of making its laws respected. For this reason, accordingly, the Bahrayn case would be analogous to the *Palmas*, rather than the *Clipperton*, case, in which the principle of "continuous and peaceful display of the functions of State" was deemed necessary to determine the title to a territory. "Territorial sovereignty," stated the Permanent Court of Arbitration in the *Palmas* award,[30] "involves the exclusive right to display the activities of a State" and that "without manifesting its territorial sovereignty in a manner corresponding to circumstances, the State cannot fulfill this duty." The same principle was asserted in the *Eastern Greenland* case[31] in which the Permanent Court of International Justice endorsed, in 1933, the principle of "the peaceful and continuous display of State authority" which the Permanent Court of Arbitration applied in 1928 in the *Palmas Island* decision.

The Iranian claim, lacking any valid legal ground, seems to depend, in the last analysis, merely on Iran's historical connections with the islands which have often been reiterated in its notes to the British Government. How significant this historical claim may be and whether it could confer title to sovereignty calls for a brief consideration.

III. Iran's Historical Claim

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The early history of Bahrayn is obscure, but the islands have been inhabited from a very early time on account of the pearl fisheries. They witnessed a number of conquerors from the time of the Babylonians in antiquity to the proclamation of British protection in the nineteenth century.

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The Persians seem to have dominated the islands before the rise of Islam in the seventh century of the Christian era, but even before this time the Arabs had already migrated into the Persian Gulf coasts and settled in Bahrayn. The rise of Islam afforded a fresh opportunity for the Arabs to gain more permanent and complete control of the islands which lasted from the seventh to the opening of the sixteenth century.[32] From Arab rule the islands passed into the hands of the Portuguese at the opening of the six-

[30] Publication of the International Bureau of the Permanent Court of Arbitration (1928), reprinted in Scott, Hague Court Reports (second series), p. 84; also in this JOURNAL, Vol. 22 (1928), p. 867.

[31] Publications of the Permanent Court of International Justice, Series A/B, No. 53.

[32] Tabari, *Tarikh al-Rusul wa al-Muluk* (ed. M. J. de Goeje, Leiden, 1879-1901), Series I, Vols. 1, 2, 3, 4, pp. 213, 745-747, 1830, 1923-1953.

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agencies or coaling depots in our territory, unless with the consent of the British Government. . . .

175 In 1892 this agreement was supplemented by another in which Shaykh Isa reluctantly accepted further limitations upon his powers. The text of the agreement of March 13, 1892,[34] is as follows:

> 1. That I [Shaykh Isa] will on no account enter into any agreement or correspondence with any Power other than the British Government.
> 2. That without the assent of the British Government, I will not consent to the residence within my territory of the agent of any other Government.
> 3. That I will on no account accede, sell, mortgage or otherwise give for occupation any part of my territory save to the British Government.

These two agreements seem to have placed the Bahrayn Islands under British protection by the Shaykh's acceptance of British advice in the conduct of foreign relations. When, in the following year, the Ottoman Porte claimed that the people of Bahrayn were regarded as Ottoman subjects within Ottoman territories and objected to British officials taking up the cases of Bahrayn subjects suffering from piracy, the British Government replied that Bahrayn was under "British protection."[35]

175 In 1900 a British Political Agency, subordinate to the Political Resident in the Persian Gulf, was established in Bahrayn. In 1909 Shaykh Isa ● 648 agreed not to allow the establishment in Bahrayn of post offices by any foreign government other than the British. In 1914 Shaykh Isa agreed that he would not himself, nor would he allow any foreign interest to, exploit the oil resources of Bahrayn without the approval of the British Government.[36]

The foregoing treaty relations, often referred to as constituting "protection," have indeed touched upon matters beyond those normally covered in treaties between the protecting and the protected states. The Shaykhs of Bahrayn have not only given up some of their powers regarding the conduct of foreign relations—an action which is normal in international practice—but they have also alienated certain attributes of their internal sovereignty which would cast serious doubt as to whether Bahrayn is a *bona fide* protectorate. The status of Bahrayn, which constitutes a peculiar juridical position, is difficult to define in terms of modern international law; but this peculiarity raises the very issue whether Bahrayn's status, the legacy of various legal transactions made at a time when the Eastern World was outside the pale of international law, should be defined merely in terms of modern juridical rules.

V. The Juridical Status of Bahrayn

646 Under the general principles of Muslim law the Bahrayn Islands, as Muslim territory, are regarded as part of the *Dar al-Islam* (dominion of

[34] *Ibid.*, p. 228.
[35] *Ibid.*, p. 196.
[36] See text, *ibid.*, p. 229.

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Islam) and its ruler must owe allegiance to the Caliph, the supreme politico-religious head of the Muslims.[48] The Caliph, who derives his authority from the sacred law, is charged with the functions of maintaining the integrity of *Dar al-Islam* and the propagation and defense of the religion.[49] It follows, accordingly, that so long as there was a Caliph in evidence, all the Muslims owed allegiance to him and acknowledged his ultimate authority. The Bahrayn Islands, until the time of the abolition of the Caliphate, must be regarded as part of the Caliph's dominions. Even the Persian occupation might be regarded as a continuation of Islamic sovereignty, for the Persian Shah, whether he acknowledged the Caliph's overlordship or ruled as a rival Caliph, claimed to fulfill the same functions enjoined by the sacred law over both his country and Bahrayn.

Long before the opening of the nineteenth century, when Great Britain made her appearance in the Persian Gulf, the authority of the Caliph had declined and certain portions of his dominions had passed under foreign rule. The occupation of Muslim territories by non-Muslim Powers was never recognized by the Caliph and was regarded as an anomaly under Muslim law. It was tolerated only so long as Muslim power was not strong enough to restore these territories to the rule of the sacred law.[50]

The European Powers, on their part, when they came into contact with the Islamic world, were confronted with a civilization so different from their own that they found it more expedient to forget about their own system of international law in conducting their relations with Muslims and other Eastern people. It might have been possible to adjust the European system of international law to these lands by adopting certain rules and practices from Eastern laws. But in fact the disintegration of these Eastern societies had already gone too far to enable them to deal on a par with the European Powers.[51] In the circumstances, neither would Islam recognize Christian rule in its dominion, nor were the European Powers prepared at first to regard Eastern lands as falling under the pale of European international law. Thus the European jurists began to justify certain actions

[48] For a discussion on what constitutes an Islamic territory, see Abdur Rahim, The Principles of Muhammadan Jurisprudence (Madras, 1907), pp. 395–396; Majid Khadduri, The Law of War and Peace in Islam (London, 1941), pp. 19–20.

[49] See Sir Thomas Arnold, The Caliphate (Oxford, 1924), pp. 70–76; A. Santoury, *Le Califat* (Paris, 1926), pp. 3 ff.

[50] Even when the Ottoman Sultans ceded such territories as the Crimea (1774), Cyprus (1878), Egypt (1882), and Tripoli (1912), the "spiritual" authority of the Caliph was recognized by the Powers to continue over the Muslims who remained under foreign rule. See Arnold, *op. cit.*, pp. 163–182. This practice of the separation of the "spiritual" from the "secular" powers of the Caliph, which is not feasible in Muslim legal theory, was resorted to by the Ottoman Sultan in order to maintain sovereignty over lost Islamic territories. See C. A. Nallino, Notes on the Nature of the Caliphate in General and on the Alleged Ottoman Caliphate (Rome, 1919).

[51] See Majid Khadduri, "Islam and International Law," in Islamic Literature (January, 1951), Vol. III, pp. 19–31.

7:Khadduri S-4 (no date)1951 MZ2 Bahrain MZ2

● 648 or violations of international law in the East, which would never have been tolerated in Europe, on the ground that Eastern lands were never recognized by European nations.[40]

In the case of such dependent territories as Bahrayn and other Eastern protectorates, the jurists distinguished between a civilized protectorate of the type recognized by international law and an Eastern "protected state" by a European Power. In the former the protecting state assumes the duty of protecting the smaller or weaker state by undertaking the conduct of its external relations, but it is understood that the attributes of its internal sovereignty are left intact so long as the freedom of action of its government does not involve it with a foreign Power. In the case of Eastern "protected states" the protecting Power, in addition to its right to control foreign relations, is entitled, as stated by the Berlin Conference of 1884–1885, to the right of administering justice over subjects of other civilized states, and, by the General Act of the Brussels Conference of 1890, the right of organizing "the administration, judicial, religious and military services in the African territories placed under the sovereignty or protectorate of civilized nations."[41]

While the British practices with regard to the powers exercised in various Eastern protectorates differed radically, they were usually distinguished by two features. First, Britain maintained a certain measure of independence, which varied from that of Oman to that of the Protectorate of Aden. In the case of Oman, its Sultan has retained his internal sovereignty and has not given up any essential rights of external sovereignty, while in the case of Aden very few powers, if any, have been left to its people. Secondly, Britain does not intend to annex these territories to its empire, but rather has found it more expedient to maintain the ruling families or tribal chiefs to exercise control over their people than to assume full control of the internal administration. Britain's chief interest in extending her influence to such areas as the Persian Gulf, Zanzibar, or the Malay Islands, seems to be primarily to prevent other rival Powers from extending their influence and hence to threaten her commercial or strategic interests.

[40] "The conquest of Algeria by France," says Lorimer, "was not regarded as a violation of international law. It was an act of discipline which the bystander was entitled to exercise in the absence of the police; and the justification for the present interference of France in Tunis and our own in Egypt, must be sought in the extremely rudimentary character which still belongs to what is beginning to be called the European Concert." (James Lorimer, Institutes of the Law of Nations (Edinburgh, 1884), Vol. II, pp. 180–181.)

[41] In the same convention it was also provided that the protecting states were entitled to establish stations, roads, railways, inland steam navigation, telegraph lines, and the maintenance of restrictions on the importations of firearms and ammunition. See W. E. Hall, A Treatise on the Foreign Powers and Jurisdiction of the British Crown (Oxford, 1894), pp. 204–207.

7:Khadduri S-4 (no date)1951 MZ2 Bahrain MZ2

Professor Robbins, in his discussion on the status of Aden, uses the very convenient term "colonial protectorates" which he applied to Aden and similar Asiatic protectorates. Such territories are administered as part of the British Empire and can hardly be distinguished from colonies. Professor Robbins goes on to argue that international law recognizes only real, not colonial, protectorates, and, as such, a colonial protectorate has no international status.[42] While this term might answer the question with regard to the status of Aden Protectorate, it is doubtful whether it could define with any precision the status of Bahrayn. The Shaykh of this territory has often been referred to in his treaty relations with Britain as an independent ruler, and it is said that his country is under British protection; in the meantime his sovereign rights have been alienated beyond the conduct of foreign relations. The ruler of Bahrayn, as well as those of Oman and Kuwayt, have full control over the native administration, though they have been persuaded in the meantime to accept British advice.

It would seem that, under the foreign jurisdiction of the British Crown, the Eastern protectorates, while they are regarded as "protected states" from an international standpoint, are treated as under "tutelage" from the British constitutional standpoint. This Western concept of tutelage would satisfy Islamic law since it implies ultimate emancipation from foreign rule which is permitted under Islamic law only under *force majeure*.

It is to be noted that this concept seems to imply the principle of the Mandate System adopted by the League of Nations under Article 22 of its Covenant and of the new Trusteeship System, which is designed to replace the Mandate, under the Charter of the United Nations. Both systems are regarded as temporary, which fits the Muslim expectation of emancipation, when the territories are able to "stand alone." The period of tutelage, however, whether administered under the aegis of an international organization, or directly under Britain, is indefinite. Should this tutelage come to an end the Bahrayn Islands, under the new national life of the Islamic countries which has replaced the Caliphate, would then be free to choose whether they would join any union with the neighboring Arab countries, such as the Arab League, or remain independent. Turkey, as one of the successor states to the Ottoman Caliphate, cannot claim sovereignty over Bahrayn, should Britain decide to withdraw, since Turkey has given up all its sovereign rights over Arab lands under Article 16 of the Treaty of Lausanne of July 24, 1923.

[42] Robert R. Robbins, "The Legal Status of Aden Colony and the Aden Protectorate," this JOURNAL, Vol. 33 (1939), pp. 714–715.

8:Qubain S-5 (1952-53)1955 MZ2 Bahrain MZ2

641 563 The Jews have lived in the country in comparative peace and security for centuries. Their position was clear and definite. As non-Muslims they were outside the pale of the law and could not participate fully in the life of the community; but as "People of the Book" they were a *dhimma*, a protected community. In civil matters they enjoyed the same legal rights as all other Bahrain subjects. Here again social lines of demarcation were drawn on a religious basis.

563 578 798 With the appearance of the Palestine problem the position of this small minority became progressively more precarious. Today the Jews are socially ostracized and economically boycotted, and there have been instances where physical violence has been employed against them. The local press of Bahrain is replete with references to Bahraini Jews, the Jews in general, and to Israel. Such references include, among other things, threats to publish the names of those who associate with Jews in Bahrain or buy from them, references to the United Nations as a Jewish conspiracy to dominate the world, and editorial protests to the government against allowing allegedly Israeli airlines to land in Bahrain, or against radio-communications with Israel.[10]

648 439 The government of Bahrain has no official policy of enmity toward Israel as have the other Arab states. Commercial traffic is not prohibited with Israel or with the Jews as a whole, but in practice it is virtually so. This boycott is due in part to social pressure and in part to the fact that a large part of the goods imported into Bahrain is re-exported to Saudi Arabia, a country which has strict regulations against traffic with Jews.

167 563 Owing to their present position, the Jews are the only native community whose interests and aspirations are at complete variance with those of the native population. It is a matter of public knowledge that many of them have either left or are in the process of leaving the country to start a new life in Israel, the United States, or Europe.

THE PERSIANS AND THE INDIANS

162 563 The two major foreign elements in the country are the Persians and the Indians.[11] Their social status and relations with the native population are determined primarily by psychological, political, and economic factors rather than by religion or tribal loyalties.

563 162 648 The Persians are the largest foreign group, but it should be noted that they are foreigners in the legal and political sense only, for they are as much a part of the scene as the legal citizens of the country. Iran has had a long and checkered association with the islands going back to pre-Islamic times. At one period, the islands were directly controlled by it, and as late

[10] See any number of *al-Qafilah*, a weekly newspaper, or *Sawt al-Bahrain*, a monthly magazine. Both are published in Bahrain in Arabic.

[11] As used in this paper, the term "Indians" includes Indians, Pakistanis, Anglo-Indians, and Goanese.

8:Qubain S-5 (1952-53)1955 MZ2 Bahrain MZ2

as the 19th century even the British recognized that Iran had some rights in Bahrain. The Iranian government has never relinquished its claims to the islands, a fact which has had a direct bearing on the position of the Persian community.

Under these favorable circumstances, Persians have been able until recently to move in and out of Bahrain without hindrance or restriction. Over the centuries a prosperous community developed, made up mostly of merchants, so that today some of the wealthiest inhabitants of Manamah are Persians. Generally speaking, this community is more enterprising, better educated, and has a higher standard of living than the local inhabitants of the land. But although the Persians grew prosperous and acquired property in houses and some land, their hearts were never in Bahrain — they were across the Gulf in the mother country. Bahrain is regarded by the Persians as an outpost for commercial activity but not for permanent settlement.

The Persians are resented by both the Arab inhabitants and the British. They are resented by the Arabs because they constitute a foreign community which is somewhat aloof from the rest of the population; in part, also, because of envy of their general prosperity and because they are regarded as interlopers who are taking the wealth of the country away. Two other serious objections to them are that they are Shi'is by religion and tend to look toward Iran rather than the Arab world for political association.

As for the British, they resent them for numerous reasons. In almost every way they constitute a threat, minor and insignificant though it may be, to the consolidation of their position in the shaykhdom. This is especially true since Bahrain has become the chief base for British naval, air, and political activity in the Persian Gulf. Specifically, the British resent the Persian community because it has always opposed what it regards as the "Indianization" policies of the British in Bahrain. It has played the double role of an opposition party and a fifth column. The recent difficulties of the British government and the Anglo-Iranian Oil Company in Iran brought the problem of Anglo-Iranian relations to a sharp focus. The situation has constituted a threat to British prestige in the Gulf. In Bahrain Mosaddaq was regarded as a liberator — in the early part of 1953 pictures of him could be seen in many shops in Manamah.

The policies of the government of Bahrain have been detrimental to the position of the Persian community. In 1927 visas for entry to Bahrain became required of Persian subjects. In December of the same year a land registry office was established and a decree passed requiring that all land be registered; it also stipulated that only Bahrain subjects could own real property. With the passage of the decree a good many Persians had only two alternatives: either to acquire Bahrain citizenship, which many of them

8:Qubain S-5 (1952-53)1955 MZ2 Bahrain MZ2

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did, or sell out and return to the mother country. Those who remained are engaged either in trade or employed by the oil company or some other business establishment. In the last few years the government has been refusing to grant citizenship to Persian residents even though they may legally qualify.[12]

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The Indians, the second largest foreign community, are in a certain sense in a position similar to that of the Persians. Bahrain, like other principalities in the Persian Gulf, has had a long association with the subcontinent through trade. In 1913, when the Bahrain Order-in-Council was passed, the country became administratively subject to the jurisdiction of the Governor-General of India.

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The Indians constitute a prosperous and fairly well educated community. Some are engaged in trade on a big scale or as petty merchants. The rest — and they are the majority — are employed either by the government, the oil company, the British military and civil establishment, or other foreign business concerns in the country. They work mostly as clerks, foremen, cooks, waiters, and domestic servants.

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Various explanations have been made as to why Indians are employed in such large numbers in preference to local Bahrainis or persons from other nationalities. In the first place, Bahrain does not have enough young men with a minimum of education and clerical or industrial training to fill these positions. Secondly, in view of British policy to tie Bahrain to India, it was only natural to look to it for the necessary labor supply. Furthermore, India could supply labor well trained by the British and used to their ways. Finally, Indian labor could be obtained at a lower rate than equally skilled labor from other countries.

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The status of Indians is a rather peculiar one, for they live in a social zone all by themselves. They are resented by the native population and accepted only as subordinates by Westerners, with whom they would like to associate and with whom they would like to be classified. This is true especially of the clerical and professional group among them.

The causes of Bahraini resentment against them are psychological and economic in nature. In the first place, they constitute a community which is definitely foreign and makes a point of it, and in some respects looks down on the local population. This is especially the case among the white-collar workers.

Secondly, on the whole, the Indian community wields power far beyond its number. The people in Bahrain see Indians in government and business establishments and develop the feeling that they are being governed by them along with the British.

In the third place, clerical positions occupied by Indians and other for-

[12] *Census 1950*, p. 6.

14: Liebesny G-4 (no date)1947 MI Middle East MJ
Bahrain M22

ME 648

The treaties which provide the legal basis for Britain's position place the native states virtually under British protection. The over-all direction of British relations with the various local rulers is put in the hands of the Political Resident in the Persian Gulf, who has had his seat on the Iranian side at Bushire, but was recently reported to have moved to Bahrein. Under him serve so-called Political Agents stationed in the various states. Administratively the Political Residency has been subordinated to the Government of India; its officials have belonged to the Indian Political Service and basic policy with regard to the Persian Gulf states has been determined by the India Office. The profound change in the status of India which is about to take place and the probable dissolution of the Indian Civil Service in the not distant future will necessitate a new affiliation for the British political service in the Persian Gulf. Should it be taken over by the Colonial Office, it would mean the final unification of British administrative direction in the dependent areas of the Arabian Peninsula.

Bahrein. Since the abandonment of Basra as a British naval base in 1935 and the creation of a new base on Bahrein Island, the latter has become the strategic center for Britain's position in the Gulf. It is the seat not only of the Political Resident, but also of the Political Agent for Bahrein, the Assistant Political Agent, the Political Officer for the Trucial Coast, and the Publicity Officer in the Persian Gulf. These British officials are to be distinguished from the technical advisers of the Sheikh, who are also British subjects but are not subordinated to the Persian Gulf Residency, being state servants of Bahrein. Chief among them are the Political Adviser to the Government of Bahrein, the Collector of Customs, the State Engineer, and the Superintendent of Schools.

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Treaty relations with the Sheikh of Bahrein were first established by the East India Company in 1820. The present relationship is based upon agreements of December 22, 1880, and March 13, 1892, by which the Sheikh bound himself not to enter into any relationship with a foreign government other than the British without the latter's consent. He further promised not to dispose of any part of his territory to anyone except the British Government. As a result of these stipulations, which are very close to

14: Liebesny G-4 (no date)1947 MI Middle East
Bahrain MZ 2

●648 those contained in the treaties with Protectorate rulers, the foreign relations of Bahrein were brought under full British control. The treaties with Bahrein do not contain any clause expressly extending British protection to the country; nevertheless, Bahrein can be regarded as a British-protected state enjoying a large degree of internal autonomy.[16]

648 471 It is characteristic of British relations with this and other Persian Gulf states that the British Government by agreement reserves for itself the final decision with regard to the exploitation of the natural resources of the country, especially pearl fisheries and oil. Thus in a letter written in 1911, the Sheikh promised not to grant any pearling concessions without British consent. As far as oil deposits are concerned, the Sheikh undertook in a letter of May 14, 1914, not to exploit any possible oil deposits himself or to "entertain overtures from any quarter regarding that (i.e. the oil deposits) without consulting the Political Agent in Bahrein and without approval of the High Government."

An oil concession in Bahrein was acquired originally by a British company. When it became apparent that the concession would pass into American hands, the Colonial Office objected to the control of Bahrein's oil resources by foreign interests. In a note of March 28, 1929, the U. S. Department of State, following its traditional policy of insisting upon equal opportunity for American interests, asked the British Government for a statement of its policies with regard to foreign oil concessions in Bahrein and in territories with a similar status. The British Government subsequently agreed to the participation of American interests in the concession in Bahrein; but it did not make any general statement of policy, declaring that each case would have to be considered on its individual merits.[17] The Bahrein concession is owned at present by Standard Oil of California and the Texas Company through a jointly-owned subsidiary, the Bahrein Petroleum Company. This subsidiary is registered in Canada, and is thus legally located within the British Empire. The Bahrein case

[16] See the note of Sir Austen Chamberlain to the Persian Minister in London, January 15, 1928, where Bahrein is referred to as being under British protection. League of Nations, *Official Journal*, 1928, p. 607.

[17] Department of State, *Papers Relating to the Foreign Relations of the United States* (1929), vol. 3, pp. 80–82.

14: Liebesny G-4 (no date)1947 M1 Middle East
Bahrain MZ2

shows the practical effect of the Sheikh's undertaking with regard to his country's petroleum resources, and the controlling influence acquired by the British Government in any decision affecting this important source of national wealth.

The position of Bahrein as an independent sheikhdom under British protection has been challenged repeatedly by the Iranian Government, which claims sovereignty over the islands on historical grounds. Protests have been made to the British Government intermittently since 1829, and have been as often repudiated. The most extensive airing of the dispute took place between 1927 and 1930, when Iran protested against Article 6 of the Treaty of Jidda concluded in 1927 between Great Britain and Saudi Arabia. There Bahrein had been referred to as a state in special treaty relations with the British Government. In a lengthy exchange of notes both governments set forth their points of view. Iran claimed that Bahrein had been under its unchallenged sovereignty before the British intervened, and that Iranian sovereignty over the islands had been recognized by Lord Clarendon, the British Foreign Secretary, in 1869. This claim was denied in the British notes, which stated that the Sheikh of Bahrein had on various occasions during the first half of the nineteenth century professed only "an unwilling allegiance" to the Ottoman Empire, Persia, and various Arab countries, and that often conflicting claims to sovereignty over Bahrein had been put forward in the course of time by a number of countries. Britain denied that Lord Clarendon had ever recognized the Iranian claim.

Iran forwarded its original note of protest to the League of Nations under Article 10 of the Covenant; all subsequent notes were likewise sent to the Secretary-General of the League. However, the League took no action in the conflict and no settlement was ever reached.[18] Iran again asserted its position when it protested to the U. S. Government in 1933 against the Sheikh's grant of an oil concession to an American company, stating that it

[18] The various notes exchanged in this dispute are reprinted in the *Official Journal* of the League of Nations; a brief account of the question is contained in A. J. Toynbee, *Survey of International Affairs*, 1934 (London, 1935), pp. 221–24; a treatment from the Iranian point of view is found in Malek Esmaili, *Le golfe persique et les isles de Bahrein* (Paris, 1936).

14: Liebesny G-4 (no date)1947 MI Middle East
Bahrain M22
Kuwait MI1

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648 regarded the concession as null and void since it was granted by
471 authorities who had no right to do so. Iran also reserved the right to claim all profits from the concession, and possible damages. The U. S. Government apparently did not reply to this note. Likewise, when Bahrein was bombed by Italian planes in October 1940, Iran, which was then neutral, protested to Italy against this alleged violation of its territory. The Iranian claim was brought up again in 1946 when it seems to have found some support in the Russian press.

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648 The dispute regarding the sovereignty over Bahrein is one of those territorial disputes, not uncommon in Asia, in which one party bases its claims on historical arguments dating back several centuries; but it is doubtful whether the yardstick of Western international law and its definition of sovereignty and undisturbed possession can be applied at all to the situation prevailing in the Persian Gulf in the seventeenth, eighteenth, and early nineteenth centuries. It is likely that the relationship between the large Eastern empires and the small tribal sheikhdoms was one of suzerainty rather than sovereignty, and that allegiances shifted fairly rapidly. However, it has to be noted that the Iranian claim has never been settled. Should other historical claims based on similarly remote evidence find a sympathetic hearing either at the peace table or in the United Nations, Iran may be expected to advance its grievances again.

K
648 *Kuwait.* The legal position of Kuwait is very similar to that of
471 Bahrein. A treaty along the same lines as that concluded with Bahrein was entered into by the Sheikh of Kuwait on January 23, 1899. A Political Agent for Kuwait was first appointed in 1904. As in Bahrein, the British Government has reserved for itself control over the exploitation of Kuwait's natural resources. In a letter of July 29, 1911, the Sheikh promised not to grant any pearling concession without British consent. By a note of October 27, 1913, he likewise agreed not to grant oil concessions "to anybody except a person appointed from the British government."

The Sheikh of Kuwait remained loyal to the British Government when Turkey entered World War I on the side of the Central Powers. In return for this loyalty, the British in a note of

63:Simmons et al G-5 (1941-1951) 1954
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BAHRAIN MZ 2

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Bahrain

GEOGRAPHY AND CLIMATE

619 Bahrain is an independent sheikhdom, 131 comprising a small group of islands at the entrance to the Gulf of Bahrain, between the Hasa coast of Saudi Arabia and the peninsula of Qatar. Famous since ancient times as the center of the Persian Gulf pearling industry, the islands have attained new prominence within recent years as a link in the chain of oil fields stretching from Qatar to central Iraq. The Sheikhdom has 648 had protective treaty relations with Great Britain since 1880, and the headquarters of the British Political Resident for the Persian Gulf area are established on Bahrain Island.

131 The archipelago consists of 5 main islands, besides several small islets, which have an aggregate area of about 210 to 225 square miles. Bahrain, the principal island, is approximately 27 miles in length and 10 133 miles in width. A narrow belt of luxuriant date gardens, supported by abundant fresh-water springs and wells, rims the northern end of the island, but the remainder is mostly barren desert. Rocky hills rise to an elevation of about 450 feet along the central ridge, Jabal ad Dukhan, while sandy wastes, broken by salt marshes, stretch toward the south.

131 Muharraq, a horseshoe-shaped sandy island, with an area of 5 to 6 square miles, is second in size and in importance. It lies northeast of Bahrain, and is separated from [491] the larger island by a narrow channel which is bridged by a 2-mile causeway, constructed in 1941. Chief among the other inhabited islands are Sitra and Nabbi Sālih, offshore to the east, and Umm Na'san, to the west

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744 the Bahrain government in 1948, and transferred to the Public Health Department in 1951. There are no local health services, but constituted municipal authorities in Manama, Muharraq and Hedd oversee the sanitation in their respective towns.

744 L48 A quarantine medical officer is attached to the headquarters staff of the British Resident for the Persian Gulf at Bahrain. He advises with the different local governments and supervises the conduct of international quarantine regulations in the Persian Gulf area.

747 743 The Board of Foreign Missions of the Reformed Church of America supports hospitals for men and women at Manama, and carries on an active medical program among the people of the islands. The Bahrain Petroleum Company maintains a hospital and dispensaries for the benefit of its Bahraini and other personnel, and co-operates with the government medical services in its mosquito control campaign. A Persian Gulf Medical Society was organized at Bahrain in 1945 for the interchange of information among the doctors in the region.

Medical Institutions

743 **Hospitals and Dispensaries.** In 1951, the government medical service operated 2 general hospitals at Manama—a hospital for men, with a capacity of 60 beds, and a separate unit for women, with a capacity of 54 beds. It also maintained isolation hospitals for men and women, with 12 and 16 beds, respectively; a tuberculosis hospital for men with 13 beds; a mental hospital with accommodations for 25 men and women; and, on one of the islands, a quarantine hospital which had 20 permanent beds and facilities for expansion in case of need. Women's clinics were conducted at Muharraq and Hedd: the former had 16 beds for maternity cases and the latter, 3 beds. In addition to the clinic services connected with the general hospitals, dispensaries were established for men at Muharraq, Hedd, Sitra, Karzakkan and West Rafaa, and for women at East Rafaa,

64: Shwadran S-4 (no date) 1955 MI Middle East
Bahrein MZ2

651 The British protectorates in the Persian Gulf present still
185 another situation, and because of that the results of the development of these territories are different from those in Iraq and Iran as well as in Saudi Arabia. While in theory the sheikhdoms of Bahrein, Kuwait and Qatar are nominally independent, they are far from sovereign and are subject in different degrees and by different methods to British guidance and authority. While all three have become increasingly dependent on oil revenue for almost their entire governmental budget, the disposal of the revenue is subject to British control, exercised sometimes openly, sometimes subtly, and in consequence a good portion of the income has been used for the economic development of the territories. It should be underlined that this has been primarily due to the efforts and determination of outsiders rather than to the wisdom and foresight of the native rulers.

Bahrein

000 The sheikhdom of Bahrein is composed of a group of islands in the Persian Gulf, situated about fifteen miles off the coast of Saudi Arabia between the province of al Hasa and the Qatar peninsula. The capital, Manama, is on the main island; the second largest island is Muharraq. The islands, with a population estimated at 120,000 are ruled by the al Khalifah family. The traditional economic sources of income were pearling at Muharraq and trading for the Arabian mainland at the port of Manama.

648 Since December 2, 1880 the sheikhdom has been a British protectorate; on that date the Sheikh of Bahrein signed an agreement in which he declared: "I Isa Bin Ali Al Khalifah, Chief of Bahrein, hereby bind myself and successors in the Government of Bahrein to the British Government to abstain from entering into negotiations or making treaties of any sort with any State or Government other than the British without the consent of the said British Government, and to refuse permission to any other Government than the British to establish diplomatic or consular agencies or coaling depots in our territory, unless with the consent of the British Government."[1]

[1] Abbas Faroughy, *The Bahrein Islands (750-1951)*, (New York, 1951), 23. This was confirmed by a subsequent agreement on Mar. 13, 1892. *Ibid.*, 123-124.

64: Shwadran S-4 (no date) 1955 MI Middle East
Bahrein MZ24

In 1910 geologists of the British Indian Survey discovered seepages of oil in Bahrein. Coming as it did after the successful discovery of oil in Persia and the organization of the Anglo-Persian Oil Company, there was apparently considerable discussion of oil possibilities in Bahrein. The British pressed the Sheikh for a definite commitment not to permit the exploitation of oil by non-British concerns. On May 14, 1914 the Sheikh wrote the British Political Agent in Bahrein that he would not himself embark on the exploitation of oil in his territory, nor would he entertain overtures regarding such exploitation from any quarters without consulting the British Political Agent and without the approval of the British Government.[2]

Oil, however, was not discovered. In the early 'twenties Major Frank Holmes, representing the Eastern and General Syndicate, was seeking oil concessions in the Persian Gulf area, and as noted above, succeeded in 1924 in obtaining a concession from Ibn Saud in the al Hasa province. On December 2, 1925 Holmes acquired from the Sheikh of Bahrein for his British syndicate an exclusive oil exploitation concession over an area of about 100,000 acres. It was provided that if the concession rights were not exercised within four years, it would lapse. The Syndicate tried to interest British concerns in the concession, but without success.[3] At the end of November 1927 the Eastern Gulf Oil Company, a subsidiary of the American Gulf Oil Corporation, entered into an option contract to purchase the Syndicate's rights in Bahrein, and was given until January 1, 1929 to exercise its option. Gulf, at the time a member of the American group in the Turkish Petroleum Company, had in the meanwhile signed the Red Line Agreement which covered the Bahrein islands, and the Board of Directors of the Turkish Petroleum Company ruled that for Gulf to exercise its option would be a violation of Article 10 of the Agreement.[4] On December 21, 1928 Gulf, with the con-

[2] *Ibid.*, 124.

[3] The following comments from two different directions are interesting: British—"American interests were first engaged almost fortuitously when oil was struck on the Manama Island of Bahrein, after British prospects had failed. The successful company is the one which has subsequently extended its activities to the great Saudi Arabian oil fields." "The Persian Gulf—A Romance," *The Round Table*, XXXIX, 134, Mar., 1949. American—"It was our good luck that the British failed to discover oil which we later found in great abundance." Harold L. Ickes, "We're Running Out of Oil." *The American*, 84, Jan., 1944.

[4] See above, Chap. XI.

64: Shwadran S-4 (no date) 1955 Ml Middle East
Bahrein MZ 2

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sent of the British Syndicate, transferred its rights to the Standard Oil Company of California for $50,000.[5]

Under the option contract, the Syndicate was to have secured from the British Colonial Office a one-year renewal of the concession. When the Colonial Office was approached, it made the renewal contingent on the insertion in the concession agreement of the British Nationality Clause, which provided that the managing director and a majority of the other directors of the company must be British subjects, that the concessionaire company must be British-registered, and that none of the rights and privileges which the Sheikh had granted in the concession must be controlled directly or indirectly by foreigners. To this the United States Government took serious objection, for such a provision would have meant the absolute exclusion of Americans from holding or operating the concession, which was contrary to the American Open Door policy. On March 28, 1929 the Secretary of State instructed the American Chargé d'Affaires in London to discuss the Bahrein concession question informally with the proper authorities. The legal difficulty involved, so far as the American claims were concerned, was the status of the concession; the legal owner was the British Syndicate and the negotiations between the Colonial Office and the Syndicate were purely British affairs, and the position of the American Government was not legally clear. The British Foreign Office replied on May 30 that it had no objection in principle to American participation in the concession, subject to the British Government being satisfied as to the conditions under which American capital would participate, and particularly as to the nationality of the operating company, its chairman and director and the personnel employed on the islands. The British Government suggested that since the Eastern and General Syndicate was still the existing concessionaire, the Syndicate should negotiate with the Colonial Office.[6]

[5] U. S. Senate, *International Petroleum Cartel*, 71-72; United States, Department of State, *Papers Relating to the Foreign Relations of the United States, 1929*, III, 80, henceforth cited *Foreign Relations* and year; Duce, *Middle East Oil Developments*, 8, 10; Faroughy, *The Bahrein Islands*, 103-104; United States Senate, *American Petroleum Interests in Foreign Countries*, 318. In March 1926 the Anglo-Persian Oil Co. was ready to take over the concession from Holmes, but in April it advised that its geologists in the area had reported unfavorably and that it was therefore no longer interested. E. DeGolyer, "The Oil Fields of the Middle East," in *Problems of the Middle East*, 77; Sanger, *The Arabian Peninsula*, 100.

[6] *Foreign Relations 1929*, III, 80-81.

64: Shwadran S-4 (no date) 1955 M1 Middle East
Bahrein MZ21

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Negotiations between the Colonial Office and the Syndicate were carried on for about a year and a half. On June 12, 1930 the Syndicate signed an agreement with the Sheikh, and transferred it to the Bahrein Petroleum Company, a Canadian subsidiary of the Standard Oil Company of California. The major provisions of the agreement were: The Bahrein Petroleum Company must remain a British company; one of the directors must be a British subject and *persona grata* to the British Government; the Company's chief local representative must be approved by the British Government and all communications with the Sheikh must be through him and the Political Agent; as many of the employees as was consistent with efficiency must be subjects of Britain and Bahrein.[7]

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Standard of California immediately sent out geologists and drillers. On May 31, 1932 the first commercially-producing well was brought in. Drilling was continued, tanks were built, and in December 1934 the first tanker load of Bahrein oil entered the world market. By 1935 there were sixteen producing wells.

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Standard of California, searching for markets for its increased production of crude, and with the anticipated output from Saudi Arabia, sold one-half of its Bahrein concession to the Texas Oil Company for a half share in the latter's numerous marketing facilities east of Suez. A new company registered in the Bahamas, the California-Texas Company (Caltex), was organized for the purpose of conducting Bahrein's marketing operations.[8]

In June 1940 the Bahrein Petroleum Company (Bapco) received an extension of its concession covering all the lands and other areas under the jurisdiction of the Sheikh, an area of some 1,644,000 acres,[9] for a period of fifty-five years from June 19, 1944.

[7] DeGolyer, *loc. cit.*, 77-79; *Foreign Relations 1932*, II, 5. The British backed down from some of their previous demands but insisted on some of the others. The State Department apparently considered this achievement a victory for American interests and claimed credit for it. In its memorandum to the Senate Special Committee Investigating Petroleum Resources, the Department declared: "Here again the prompt and positive action of the State Department has secured results favorable to an American-owned company. By securing the entry of American oil interests into Bahrein, the way was paved for some American interests to obtain concessions in nearby Arabia." U. S. Senate, *American Petroleum Interests in Foreign Countries*, 23-24.

[8] U. S. Senate, *International Petroleum Cartel*, 79; Chap. XI above.

[9] Faroughy, *The Bahrein Islands*, 111; Sanger, *The Arabian Peninsula*, 147. DeGolyer was of the opinion that the Sheikh delayed granting the extended concession because of the efforts of Holmes in 1937, when he reappeared in Bahrein

64: Shwadran S-4 (no date) 1955. Ml Middle East
Bahrein MZ2

Royalties

471 The original concession called for 3 1/2 rupees per ton of
648 crude oil produced. This was equivalent to 14 cents per barrel, or $1.05 per ton, before the devaluation of the rupee in September 1949.[12] After the devaluation, and because of the general demands for higher royalties throughout the Persian Gulf region, Bapco increased the royalty to the Bahrein Government from 3 1/2 rupees to 10 rupees, approximately 29 cents per barrel, or about $2.10 per ton, effective as of January 1, 1950. In 1951 another supplemental agreement increased payments by an annual lump sum, and the following year, in line with the general tendency in the area, a 50/50 profit-sharing of net income from production and sale of oil was agreed on, effective as of January 1, 1952.[13]

651 The following table gives an approximate picture of the steady increase in royalties.

Table XIII. *Royalty Payments to Bahrein (selected years)*

Year	*In Dollars*
1933	8,800
1938	395,000
1940	1,000,000
1945	780,000
1946	1,200,000
1948	1,508,876
1949	1,500,000
1950	3,300,000
1951	3,800,000
1952	6,300,000
1953	6,500,000
1954	8,100,000[14]

Special Committee Investigating Petroleum Resources (Washington, 1946), 40; U.N., *Summary 1950-1951*, 22; George P. Stevens, "Saudi Arabia's Petroleum Resources," *Economic Geography*, XXV, 221, July, 1949; Faroughy, *The Bahrein Islands*, 43; *Le Commerce du Levant*, Oct. 15, 1954; DeGolyer and MacNaughton, *Twentieth Century Petroleum Statistics 1954*, 9; *World Oil*, CXL, 198, Feb. 15, 1955.

[12] U.N., *Summary 1950-51*, 37;—*Review 1951-52*, 61. Faroughy stated that royalty was 3 rupees and 8 annas plus one shilling per ton, *The Bahrein Islands*, 45. Adamiyat, who follows Faroughy closely, also gives the royalty as 3½ rupees and one shilling. Fereydoun Adamiyat, *Bahrein Islands. A Legal and Diplomatic Study of the British-Iranian Controversy* (New York, 1955), 200.

[13] U.N., *Summary 1950-51*, 37-38;—*Review 1951-52*, 61; Adamiyat, *Bahrein Islands*, 200; Economic Cooperation Administration, Special Mission to the United Kingdom, *The Sterling Area. An American Analysis*, 409.

[14] J.H.D.B., "Oil and Bahrein," *The World Today*, VII, 77, Feb., 1951; U.N.,

S 648 with local rulers. These treaties place the native states virtually under British protection. The over-all direction of British relations with the various local countries is in the hands of the Political Resident in the Persian Gulf, who has his seat in Bushire on the Persian side of the gulf, and fulfills also the function of British Consul General in Bushire. Under him serve so-called Political Agents who are stationed in the various states on the Arabian side of the gulf. Administratively, the Political Residency is subordinated to the Government of India and its officials belong to the Indian Political Service. The basic British policy with regard to the Persian Gulf states is therefore determined by the India Office and not by the Colonial Office.

2. Relations with the Individual States.

B 648 [712] a. Bahrein. The British position in Bahrein is stronger than anywhere else in the gulf area. After the abandonment of Basra, in Iraq, as a British naval base in 1935, a new base was established on Bahrein Island. From the British standpoint the island is thus the strategic center for their position in the gulf. Treaty relations with the Sheikh of Bahrein were first established by the East India Company in 1820. The present relationship is based upon agreements of 22 December 1880 and 13 March 1892. (18) By these instruments the

18. India, Foreign and Political Department, A Collection of Treaties, Engagements and Sanads Relating to India and Neighbouring Countries, edited by C. U. Aitchison, vol. 11, Delhi, 1933 (quoted in the following as Aitchison), pp. 237-39.

Sheikh bound himself not to enter, without British consent, into any relationship with a foreign government other than the British. He further promised not to dispose of any part of his territory to anybody except the British government. As a result of these stipulations, which are very close to those contained in the treaties with Protectorate rulers, the foreign relations of Bahrein were brought under full British control. The treaties with Bahrein do not contain any clause expressly extending British protection to the country. Nevertheless, Bahrein can be regarded as a British-protected state enjoying a large degree of

B 648 642

648 internal autonomy. (19)
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19. Cf. the note of Sir Austen Chamberlain to the Persian Minister in London, 15 January 1928, where Bahrein is referred to as being under British protection; League of Nations, Official Journal, 1928, p. 607.

It is further characteristic of the British relations with this and other Persian Gulf states that the British Government has reserved for itself by agreement the final decision with regard to the exploitation of the natural resources of the country, especially pearl
471 fisheries and oil. In a letter written in 1911 the Sheikh promised not
648 to give out any pearling concession without British consent. As far as oil deposits are concerned, the Sheikh undertook in a letter of 14 May 1914 not to exploit any possible oil deposits himself or to "entertain overtures from any quarter regarding the /i.e, the oil deposits/ without consulting the Political Agent in Bahrein and without approval of the High Government." With British consent a concession was actually granted to American oil interests in 1930. The Bahrein Petroleum Company was then formed which is at present owned by the Standard Oil Company of California and the Texas Oil Company.

Bahrein is the seat of the Political Agent for Bahrein, the
648 Assistant Political Agent, the Political Officer for the Trucial Coast, and the Publicity Officer in the Persian Gulf. From these British officials one has to distinguish the technical advisers of the Sheikh who are also British subjects but are not subordinated to the Persian Gulf Residency. They are state servants of Bahrein. Chief among them are the Political Adviser to the Government of Bahrein, the Collector of Customs, the State Engineer, and the Superintendent of Schools.

The position of Bahrein as an independent sheikdom under British protection has been challenged repeatedly by the Iranian government which claims sovereignty over the islands on historical grounds. Protests have been made to the British government intermittently since 1820. A lengthy exchange of notes between the two governments took place when in 1927 Iran protested against Article 6 of the Treaty of Jidda of 1927. There Bahrein had been referred to as a state in special treaty relations with the British government. Great Britain rejected Iran's claim and repudiated also the contention that Iranian sovereignty over the islands had been conceded by Lord Clarendon in

B 648 1869. The Iranian government, however, maintained its standpoint and, when the oil concession in Bahrein was granted to an American company, launched a protest with the American government. (20)

20. A brief account of this question is given in A. J. Toynbee, Survey of International Affairs, 1934, London, 1935, pp. 221-24. The documents exchanged in the course of the discussion are collected in an appendix to Malek Esmaili (Azizollah), Le golfe persique et les isles de Bahrein, Paris, 1986, pp. 231-64.

B [21] Likewise, when Bahrein was bombed by Italian planes in October 1940 Iran, which was then neutral, protested to Italy against this alleged violation of its territory. Though the issue can at present be regarded as dormant, it is not settled and might thus be brought up again if the Iranian government feels that the time is opportune for such action.

K 648 b. Kuwait. The legal position of Kuwait is very similar to that of Bahrein. A treaty along the same lines as those concluded with Bahrein was entered into the Sheikh of Kuwait on 23 January 1899. (21) A Political Agent for Kuwait was first appointed in 1904.

21. The engagements concerning Kuwait which are discussed here may be found in Aitchison, pp. 262-65.

K 648 471 As in Bahrein, the British Government has reserved for itself control over the exploitation of Kuwait's natural resources. In a letter of 29 July 1911 the Sheikh promised not to grant any pearling concession without British consent. By a note of 27 October 1913 he agreed not to grant oil concessions "to anybody except a person appointed from the British government." An oil concession was granted to the Kuwait Oil Company, which is jointly owned by the Gulf Oil Corporation and the d'Arcy Exploration Company Ltd., which in turn is a subsidiary of the Anglo Iranian Oil Company Ltd.

K 648 In the first World War the Sheikh of Kuwait remained loyal to the British government after Turkey had entered the war on the side

30: Gt. Britain G-5 (ca. 1918) 1920 MJ1 Saudi Arabia
BAHRAIN MZ2

GOVERNMENT AND ADMINISTRATION

The rule of the Sheikh, which is personal, is directly exerted over the part of Bahrein adjacent to Manāmah, and over the island of Muharraq, where he resides except during the four hottest months of the year. His authority over the rest of the principality is little more than nominal, for the land is divided among various relatives of his own who hold it as almost independent fiefs, collecting their own taxes, and administering their own justice. Thus the islands of Sitrah and Nebi Sālih, with all the villages on the E. side of Bahrein to the S. of Khōr el-Kabb, and the inland villages of Rifā' esh-Sharqi and Rifā' el-Gharbi, are held by the Sheikh's brother Khālid. The subtraction of all this territory considerably reduces the Sheikh's revenue, which is derived not only from customs, but also from agricultural duties, taxes on pearl-boats, judicial fees, and rent of town lands, shops, or *khāns*. The Sheikh is assisted in the government by a *wazīr*, whose aid is all the more necessary, as the ruler is frequently absent on the mainland, chiefly for sporting purposes. In the towns of Manāmah and Muharraq there are deputy governors with the title of *emīr*.

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Justice, in criminal cases and important civil cases, is administered on behalf of the Sheikh by a chief qādhi. The treatment of minor cases depends upon the religious belief of the parties; if both are Sunnis, they go before the (Sunni) Sheikh of Muharraq; if both are Shiahs, before the (Shiah) Sheikh of Manāmah. There are, in addition, seven other qādhis permitted to adjudicate upon cases referred to them by agreement.

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Mercantile cases, especially those in which foreigners are concerned, are decided by a tribunal variously called *Mejlis el-'Urfi* or *Mejlis et-Tijārah*, a Customary or Commercial Court, with permanent members nominated by the Sheikh in consultation with the British Political Agent. When one or more of the parties to a case is a British subject, or when none of them are Bahrein subjects, the Mejlis is usually convoked by the Agent, and sits at the Agency, a representative of the Sheikh being permitted to attend. Cases arising out of pearl-diving operations are settled by a special board of arbitration known as the *Sālifat el-Ghaus*.

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RECENT HISTORY AND PRESENT POLITICS

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Although the Sheikhs of the Khalīfah family had been in direct relations with us since 1805, and under treaty since 1820, another sixty years elapsed before the ruler of Bahrein entered into a binding

30: Gt. Britain G-5 (ca. 1918) 1920 MJ1 Saudi Arabia
BAHRAIN MZ2

643 agreement similar to that accepted by the Sultan of Oman. By this
648 treaty he undertakes, in return for a subsidy, to alienate no part of his territory except to the British, to conform to British policy, and to accept no help, pecuniary or other, from any foreign power. A British Political Agent, under the Resident at Bushire, is stationed at Manāmah.

The present ruler, Sheikh 'Īsa ibn 'Ali el-Khalīfah, now an old man, owed his accession in 1867 to our influence, and has been supported by us against other claimants of his family, notably Khalīfah ibn Hamed ibn Mohammed el-Khalīfah, who has intrigued with the Porte. Although Sheikh 'Īsa is not without natural sagacity, he has proved to be lacking in the force of character and practical ability which distinguished his contemporary, Sheikh Mubārak of Koweit. In addition, he has sometimes shown himself sensitive of control, even to the point of obstructing reforms, encouraged in such courses, perhaps, by a certain impatience of foreign influence prevalent in Bahrein; he has thus on at least one occasion incurred the censure of the Indian Government. But in spite of these shortcomings, he has avoided serious complications; in the difficult times which began with the crisis in the pearl industry in 1913, and have been aggravated by the war, he has shown ability and reasonable goodwill. His heir, Sheikh Hāmid, is described as a man holding moderate views.

Islands

1. *Bahrein*

361 The general nature of Bahrein Island has been described in a
438 previous section (p. 311). In the present place the chief centres of population may be noticed. The island has nearly 100 villages and hamlets, of which the following are the most important:

Hālah Bin Anas, a short distance E. of Manāmah, with 85 huts of Sunnis, who are pearl-divers and fishermen.

'Askar, on the E. coast, 4¼ miles ENE. of Jebel Dukhān. 75 stone houses and reed-huts of Āl Bu 'Ainein, pearl-divers, owning about 20 boats; 1,500 date-palms; a little live stock.

Bilād el-Qadīm, about 1½ mile SW. of Manāmah fort; about 350 mud and reed huts. The inhabitants are *Bahārinah*, who gain a livelihood as pearl-merchants, cultivators, or tailors; many ruined stone houses. It has a suburb to the SW. called *Bilād er-Rāfi'*, and on the NW. side the *Sūq el-Khamīs*, where a large market is held on Thursdays. About ½ mile to the W. are the ruins of the Madrasat Abu Zeidān, the minarets of which, in combination with Jebel